



moulton niguel water district

FINANCE & INFORMATION TECHNOLOGY

BOARD OF DIRECTORS' MEETING

MOULTON NIGUEL WATER DISTRICT

27500 La Paz Road, Laguna Niguel

August 17, 2016

8:30 AM

Approximate Meeting Time: 3 Hours

THIS BOARD MEETING WILL INCLUDE TELECONFERENCING AT THE FOLLOWING LOCATION: 12025 CEDAR SHORE ROAD, ELLISON BAY, WISCONSIN

1. CALL MEETING TO ORDER
2. APPROVE THE MINUTES OF THE JULY 20, 2016 FINANCE AND INFORMATION TECHNOLOGY 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. Data Collaborative Update

DISCUSSION ITEMS

5. Reservoir Management Systems Replacement Professional Services Agreement for Fiscal Year 2016-17
6. Valve Crew - Capital Equipment Purchases
7. Insertion Valve Equipment Purchases for Fiscal Year 2016-17
8. Fuel Agreement Extension for Fiscal Year 2016-17

9. City of Laguna Niguel Crown Valley Community Park Tier II Improvements - MNWD Pipeline Relocations
10. City of Laguna Niguel Turf Removal Rebate Application
11. Water Efficiency (Fund 6) Budget Amendment
12. Amendment No. 2 to the Consulting Services Agreement - Ware Malcomb
13. Copier Leasing and Printing Services

INFORMATION ITEMS

14. Monthly Financial Report
 - a. Summary of Financial Results
 - b. Budget Comparison Report
 - c. Statement of Net Position
 - d. Restricted Cash and Investments with Fiscal Agent
 - e. Net Position
 - f. Summary of Disbursements July 2016
15. Quarterly Capital Improvement Program Report
16. Water Usage Update
17. Outreach Update
18. Future Agenda Items (Any items added under this section are for discussion at future meetings only)
19. 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.



moulton niguel water district

DRAFT MINUTES OF THE REGULAR MEETING OF THE FINANCE & INFORMATION TECHNOLOGY BOARD OF DIRECTORS OF THE MOULTON NIGUEL WATER DISTRICT

July 20, 2016

A Regular Meeting of the Finance & Information Technology 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 July 20, 2016. There were present and participating:

DIRECTORS

Scott Colton	Vice President
Richard Fiore	Director
Donald Froelich	President
Gary Kurtz	Director
Larry Lizotte	Director

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
Jeff Ferre	Best, Best, & Krieger (General Counsel)
Paige Gulck	Board Secretary
Tim Bonita	Recording Secretary
Trevor Agrelius	MNWD
Drew Atwater	MNWD
Johnathan Cruz	MNWD
James Glover	MNWD
Carole Wayman-Piascik	MNWD
Doug Zytkevicz	MNWD
Michael Bell	Michael Bell Consulting, Inc.
Roger Faubel	Faubel Public Affairs
Jake Vollebregt	Best, Best, & Krieger

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1. CALL MEETING TO ORDER

The meeting was called to order by Richard Fiore at 8:30 a.m.

2. APPROVE THE MINUTES OF THE JUNE 15, 2016 FINANCE AND INFORMATION TECHNOLOGY BOARD OF DIRECTORS' MEETING

MOTION DULY MADE BY SCOTT COLTON AND SECONDED BY DONALD FROELICH, MINUTES OF THE JUNE 15, 2016 FINANCE AND INFORMATION TECHNOLOGY BOARD OF DIRECTORS' MEETING WERE APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, AND LARRY LIZOTTE ALL VOTING 'AYE'.

3. PUBLIC COMMENTS

None.

DISCUSSION ITEMS

4. Laguna Sur Sewer Rates

Johnathan Cruz presented the item. Staff recommends that the Board of Directors approve the resolution entitled, "Adopting Report of Annual Sewer Service Charges to be Collected via Property Tax Statements on Tax Roll for the Period Commencing July 1, 2016 (Laguna Sur/Monarch Point LAFCO Reorganization RO96-05)." There was no discussion on this item.

5. Fiscal Year 2016-17 Meter Maintenance and Replacement Program Meter Purchase

Marc Serna provided information on the item. Staff recommends that the Board of Directors authorize meter and meter-related purchases for an amount not-to-exceed \$548,220 for Fiscal Year 2016-17. Discussion ensued regarding the item.

6. Rebate Applications for Turf Removal

Richard Fiore recused himself from the discussion on this item as he is unsure if his firm currently represents the Villa Mira Homeowners Association. Drew Atwater presented the rebate applications for turf removal. Staff recommends that the Board of Directors consider the rebate applications for the identified projects without a limitation on the maximum allowable acreage for the projects and direct staff accordingly. Discussion ensued regarding the applications.

INFORMATION ITEMS

7. Monthly Financial Report

Richard Fiore returned to the meeting. Trevor Agrelius presented the Monthly Financial Report.

8. Water Usage Update

Drew Atwater presented the water usage update. The District achieved its current conservation target of 15% for June 2016.

9. Outreach Update

Richard Fiore and Matt Collings provided an outreach update. The District has started the monthly newsletter campaign. The District is continuing to work with Orange Label on our digital ad campaign.

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

None.

11. Late Items (Appropriate Findings to be Made)

Staff has none.

CLOSED SESSION

12. 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

The Board entered closed session at 10:01 a.m. and exited at 11:24 a.m. Richard Fiore stated that there was no reportable action.

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ADJOURNMENT

The meeting was adjourned at 11:25 a.m.

Respectfully submitted,

Tim Bonita
Recording Secretary

DRAFT



moulton niguel water district

STAFF REPORT

TO: Board of Directors **MEETING DATE:** August 17, 2016

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

SUBJECT: Reservoir Management Systems Replacement Professional Services Agreement for Fiscal Year 2016-17

DIVISION: 1, 2

SUMMARY:

Issue: Board action is required to execute a Professional Services Agreement for engineering services for the 2016-17 Reservoir Management Systems Replacement, Project No. 2015.013.

Recommendation: It is recommended that the Board of Directors approve the Professional Services Agreement for engineering services with LEE & RO, Inc. in the amount of \$199,663; authorize the General Manager to execute the agreement; and authorize the General Manager or designee to approve amendments up to 10% of the contract value.

Fiscal Impact: Project No. 2015.013 is budgeted in Fund 7, Rehabilitation and Replacement with a current project budget of \$2,050,000.

BACKGROUND:

The District currently operates twenty (20) on-site generation (OSG) reservoir management systems (RMS) at reservoir sites throughout the District’s potable water distribution system. The systems are used to generate chloramine at identified sites to maintain consistent disinfection levels in the distribution system.

A study was recently completed to evaluate options for refurbishing or replacing the systems. The study considered factors including capital costs, operation and maintenance costs, reliability, safety, and site constraints. The study recommended to replace a majority of the existing OSG systems with bulk sodium hypochlorite systems. The study also recommended that a few of the systems remain OSG due to site constraints or operational requirements.

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Reservoir Management Systems Replacement Professional Services Agreement for Fiscal Year 2016-17

August 17, 2016

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The systems will be replaced as part of the Reservoir Management Systems Replacement Program. The 2016-17 Reservoir Management Systems Replacement project is the first phase of the program and includes the following three sites:

- East Aliso Creek Reservoir (One 10.0 MG Reservoir)
- La Paz Reservoirs (Two 1.0 MG Reservoirs)
- Seville Reservoirs (Two 1.125 MG Reservoirs)

The engineering services will include design and preparation of construction documents for the demolition of the existing OSG systems and construction of the new bulk sodium hypochlorite systems. The design will include all site work, buildings and building systems, equipment and piping, electrical, and instrumentation.

DISCUSSION:

On June 9, 2016, staff issued a RFP for engineering consulting services to seven qualified engineering consulting firms. Three proposals were received and are summarized below:


Consultant / Firm	Proposed Fee
AKM Consulting Engineers	\$179,056
LEE & RO, Inc.	\$199,663
Tetra Tech	\$379,500

Staff performed a thorough review of the proposals received to determine the overall best value for the professional services required. Based on the consultants' specific project understanding and approach, overall proposal quality, project specific experience, proposed project team and cost, staff recommends that LEE & RO, Inc. be awarded the professional services contract.

Reservoir Management Systems Replacement Professional Services Agreement for Fiscal Year 2016-17
August 17, 2016
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SUMMARY OF PROJECT BUDGET:

	Project Budget	Proposed / Approved Contract	Proposed / Authorized Contingency	Total Proposed / Authorized Amount
Project Items				
Engineering	\$220,000	\$199,663	\$19,966	\$219,629
Construction	\$1,800,000	\$1,800,000	\$0	\$1,800,000
Legal, Permits, District Labor	\$30,000	\$30,371	\$0	\$30,371
Totals	\$2,050,000	\$2,030,034	\$19,966	\$2,050,000



 Currently Proposed Amount

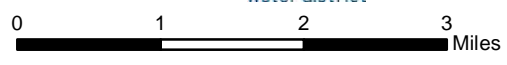
Attachments:

1. Exhibit A – Location Map
2. Exhibit B – Professional Services Agreement



Path: C:\GIS\Projects\Management\System Replacement\Maps\Portrait_Letter.mxd

-  Project Sites
-  District Boundary



Scale = 1:85,000

Exhibit "A" Location Map
2016-17 Reservoir Management
System Replacement
Contract No. 2015.013

**AGREEMENT FOR ENGINEERING SERVICES BETWEEN
MOULTON NIGUEL WATER DISTRICT AND LEE & RO, INC.
MNWD PROJECT: 2016-17 RESERVOIR MANAGEMENT SYSTEMS REPLACEMENT
CONTRACT NO. 2015.013**

THIS AGREEMENT (the "Agreement") is dated as of _____, 2016, by and between Lee & Ro, Inc., hereinafter referred to as the "ENGINEER" and Moulton Niguel Water District hereinafter referred to as "MNWD," and provides for the furnishing of engineering services to MNWD by ENGINEER. MNWD and ENGINEER may sometimes be referred to in this Agreement individually as "party" and together as "parties."

RECITALS

ENGINEER proposes to provide services to MNWD in connection with the evaluation, design and construction support services for the 2016-17 Reservoir Management Systems Replacement project (the "Project"). The scope of work to be performed by ENGINEER 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 - ENGINEERING SERVICES, AUTHORIZATION

Section 1.1 ENGINEER proposes to perform those services which are described in the Scope of Work. MNWD may request or ENGINEER may recommend, that ENGINEER perform work in addition to or different from that delineated in the original Scope of Work, or delete services from the Scope of Work. Upon MNWD's request for additional or changed work, ENGINEER shall provide a cost estimate and written description of the additional or changed work. Prior to any such addition, changes, or deletion to the Scope of Work, MNWD and ENGINEER shall negotiate an adjustment of the compensation and time for completion and shall execute a written addendum to this Agreement. Upon execution of each addendum, (i) the Scope of Work shall thereafter be as described in **Exhibit A**, respectively, as modified by the addendum and any previously executed addendum; and (ii) the time for completing the work shall be as set forth in the addendum. Following execution of any addendum, all terms and provisions of the Agreement, except as expressly modified by such addendum, shall remain in full force and effect. MNWD will not be required to pay for any additional or changed work rendered in advance of the execution of an addendum covering the additional or changed work.

Section 1.2 ENGINEER agrees to complete the design work described in the Scope of Work no later than **June 30, 2017**. ENGINEER further agrees to complete all other work within the time periods set forth in the Scope of Work. Time is of the essence in this Agreement.

ENGINEER agrees to coordinate the work to ensure its timely completion and shall promptly notify MNWD of any anticipated delays or causes or casualties beyond ENGINEER'S control which may affect the work schedule. In the event the time for completing the Scope of Work is projected to be exceeded due to circumstances beyond the control of ENGINEER, ENGINEER shall have an additional amount of time to be agreed upon in writing between the parties

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pursuant to Section 1.1 and an executed addendum, in which to complete the work. ENGINEER shall not begin work on any services pursuant to this Agreement until receipt of MNWD'S written direction to proceed. Upon receipt of such notice, ENGINEER shall immediately commence the work described in Exhibit A.

Section 1.3 ENGINEER'S civil engineer, duly licensed in the State of California, who shall be the Principal in Charge of work, is Dhiru Patel.

As part of the Project, ENGINEER intends to subcontract certain services for the Project. Separate subcontracts may be entered into between ENGINEER and the subconsultants listed in Exhibit B hereto. Any additional subconsultants ENGINEER proposes to use are subject to prior written approval by MNWD.

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

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

Engineer will furnish to MNWD the agreed upon number of reports and supporting documents.

These instruments of service are furnished for MNWD's use in connection with the project or work provided for in this Agreement and shall become MNWD's property upon receipt. All documents and information generated by Engineer and any of Engineer's subcontractors pursuant to this Agreement shall remain confidential and shall not be copied, distributed, or otherwise provided or referenced by Engineer or Engineer's subcontractors to any third parties other than with MNWD's written consent, or as compelled by order of court.

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 V herein, be furnished to and become the property of MNWD.

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

SECTION II - ENGINEERING FEES

Section 2.1 In consideration for providing the engineering services referred to in SECTION I herein, MNWD agrees to compensate ENGINEER on a time and materials basis, with a not-to-exceed maximum amount of **One Hundred Ninety-Nine Thousand Six Hundred Sixty-Three Dollars (\$199,663)** (which maximum amount is inclusive of 'labor costs' and 'direct costs', as further discussed below). The breakdown of the rates, fees and costs for the Project is attached hereto as Exhibit C which is incorporated herein.

Section 2.2 Labor costs shall be the total number of hours worked on the job by each employee multiplied by the applicable hourly billing rate. The Fee Schedule set forth in **Exhibit C** attached hereto and incorporated herein sets forth the current billing rates of ENGINEER.

Section 2.3 Reasonable direct costs shall include those costs as described in the Scope of Work and listed in **Exhibit C**.

Section 2.4 Monthly progress payments will be made based on submittal of invoices by ENGINEER. Invoices will include the number of hours worked by various labor categories, the hourly billing rate per individual, and the total amount due. Only one bill per month shall be submitted by ENGINEER, showing invoices for ENGINEER and each subconsultant utilized during the monthly billing period.

SECTION III - WARRANTY/DISCLAIMER

Section 3.1 ENGINEER is employed to render engineering services pursuant to this Agreement only, and any payments made to ENGINEER are compensation solely for such services as it may render and recommendations it may make in carrying out the work. ENGINEER makes no warranty, either expressed or implied, as to its services furnished under this Agreement, including any findings, opinions, recommendations, factual presentations, or professional advice, other than that such services will be performed in accordance with generally accepted professional engineering practices and principles.

Section 3.2 ENGINEER will provide any construction or operation and maintenance cost opinions based on exercise of his experience and judgment in applying presently available cost data, but it is recognized that ENGINEER has no control over cost of labor and materials, or over competitive bidding proceedings and market conditions, so that it cannot warrant that construction or capital costs will not vary from such costs estimates.

Section 3.3 In performing services under this Agreement, ENGINEER shall observe and abide by the terms and conditions of all applicable laws, regulations, ordinances, or other rules of the United States, of the State of California, or any political subdivisions thereof, or of any other duly constituted public authority or agency including but not limited to MNWD.

Section 3.4 If the Project results in construction of any kind, the parties agree MNWD and ENGINEER shall be indemnified by the contractor for all claims, damages, losses and expenses arising out of or resulting from the contractor's performance of work including injury to any worker on the job site except for the negligence of MNWD or ENGINEER, such indemnity to be in accordance with MNWD's construction documents. MNWD and ENGINEER shall be named as additional primary insured(s) by contractor's General Liability Insurance policies without offset and all construction documents and insurance certificates shall include wording to such effect.

ENGINEER and MNWD shall not be responsible for the means, methods, techniques, sequences, or procedure of construction selected by contractors or the safety precautions and programs incident to the work of contractor and will not be responsible for a contractor's failure to carry out work in accordance with contract documents.

The services to be performed by ENGINEER are intended solely for the benefit of MNWD. Nothing contained herein shall confer any rights upon or create any duties on the part of ENGINEER toward any person or persons not a party to this Agreement including, but not limited to any contractor, subcontractor, supplier, or the agents, officers, employees, insurers, or

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sureties of any of them. Any reuse of documents or data for other than the intended use shall be at the sole risk of MNWD.

SECTION IV - INSURANCE AND INDEMNIFICATION

Section 4.1 Professional Liability Insurance. ENGINEER and each of its sub-consultants/subcontractors shall maintain throughout the term of this Agreement a professional liability (errors and omissions) policy of insurance having coverage of not less than One Million Dollars (\$1,000,000) for each claim and in annual aggregate. The following provisions shall apply if the professional liability coverage is written on a claims-made basis:

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

Section 4.2 General/ Automobile Liability Insurance. ENGINEER and each of its sub-consultants/subcontractors shall maintain throughout the term of this Agreement a general liability policy of insurance for bodily injury and/or death, personal injury and property damage claims which may arise from or in connection with the performance of the work under this Agreement by ENGINEER and its sub-consultants/subcontractors, and each of their agents, representatives, or employees. Such public liability and property damage insurance (which shall cover claims, injury, death, loss or damage or accidents from the use or operation of any automobiles, trucks and/or other mobile or stationary equipment, whether owned, non-owned or hired) shall be comprehensive in form and shall be on a "per occurrence" basis in a minimum amount of One Million Dollars (\$1,000,000) per occurrence and an annual aggregate limit in a minimum amount at least twice the per occurrence limit specified in this section.

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

Section 4.3 Worker's Compensation. By its signature hereunder, ENGINEER 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 ENGINEER will comply with such provisions before commencing the performance of work under this Agreement. ENGINEER and subconsultants/subcontractors shall maintain throughout the term of this Agreement workers' compensation insurance with limits no less than the statutory limits, and Employer's Liability insurance with limits no less than One Million Dollars (\$1,000,000) per accident and per disease for their employees and shall file with the MNWD the certificate required by Labor Code

Section 3700. The workers compensation/Employer's Liability insurance shall be endorsed with a waiver of subrogation in favor of MNWD and its' directors, officers, employees and representatives.

Section 4.4 Requirements of All Policies. All policies of insurance required under this Section 4 shall be from insurance providers who are either admitted or licensed to do business in California, or are Surplus Lines Carriers authorized to do business in California, and who have financial size and ratings of no less than A-, Class XIII, and in either case are otherwise acceptable to MNWD. All such policies shall include a provision and executed endorsement for thirty (30) days prior written notice by certified mail, return receipt requested, to MNWD of any cancellation or material alteration of such insurance. ENGINEER shall provide original certificates and endorsements for all such insurance on forms approved by MNWD in conformity with all requirements of this Agreement prior to commencement of any work or professional services. The policies required hereunder shall be endorsed to include contractual liability.

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

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

Section 4.5 Indemnity.

(a) To the fullest extent permitted by law, ENGINEER shall indemnify, hold harmless and defend District, 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 Services hereunder, provided that any such claim, damage, losses and expenses is: (a) attributable to bodily injury, personal injury, sickness, disease, or death, or for damage to, or loss or destruction of, property including the loss of use resulting therefrom, and (b) caused or alleged to have been caused in whole or in part by any act or omission of the ENGINEER, 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 ENGINEER'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 ENGINEER to faithfully perform the Services and any of the ENGINEER's obligations under the Agreement. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person indemnified in this Section 4.5. It is expressly acknowledged by the ENGINEER that the foregoing obligations of ENGINEER include the duty to defend the indemnified parties against any claims, proceedings and demands within the scope of the foregoing indemnity terms.

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(b) In any and all claims against the indemnified parties by any employee of the ENGINEER, 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 ENGINEER, 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 ENGINEER'S obligations pursuant to this Section shall survive the expiration or termination of this Agreement and/or the performance or completion of any or all services and work provided under this Agreement. This indemnity obligation shall apply to all liability regardless of whether any insurance is applicable, and the policy limits of any insurance shall not act as a limitation upon the indemnification, and amounts related thereto, to be provided by ENGINEER hereunder.

SECTION V - TERMINATION OR ABANDONMENT

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

ENGINEER shall not perform further work under this Agreement after the effective date of suspension until receipt of written notice from MNWD to resume performance. MNWD and ENGINEER agree that in the event MNWD suspends or terminates performance by ENGINEER for any cause other than the intentional or negligent error or omission of ENGINEER, ENGINEER 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.

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

SECTION VI - GENERAL

Section 6.1 ENGINEER 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 engineering services hereunder, or which would impact its objectivity in performing such services hereunder.

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

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

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

To ENGINEER - Attn: Dhiru Patel
Lee & Ro, Inc.
1199 South Fullerton Road
City of Industry, CA 91748

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

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

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

Section 6.7 It is expressly understood and agreed that ENGINEER is an independent contractor and not an employee of MNWD while engaged in carrying out this Agreement. ENGINEER warrants that it will not represent, at any time or in any manner, that ENGINEER is an employee or agent of MNWD. ENGINEER 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 ENGINEER.

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

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

#5.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written below.

Moulton Niguel Water District

By: _____
Joone Lopez
General Manager

Date: _____

LEE & RO, INC.

By: _____

Title: _____

Date: _____

**EXHIBIT A
SCOPE OF WORK**

EXHIBIT A

Approach, Scope of Work & Level of Effort

PROJECT UNDERSTANDING

Moulton Niguel Water District (District) currently operates 20 on-site generation (OSG) reservoir management systems (RMS) at reservoir sites throughout the District's potable water distribution system. The existing OSG systems are nearing the end of their useful lives. The District recently conducted a study that recommended replacing a majority of the existing OSG systems with 12.5% bulk liquid sodium hypochlorite and ammonia systems. This project will replace the existing OSG systems at three RMS sites, (1) East Aliso Creek Reservoir – one 10.0 MG reservoir, (2) La Paz Reservoirs – two 1.0 MG reservoirs, and (3) Seville Reservoirs – two 1.125 MG reservoirs. The new RMS will serve both reservoirs at both the La Paz Reservoirs site and the Seville Reservoirs site. Engineering services include designs for demolition of the existing OSG systems, as well as designs for construction of new 12.5% bulk sodium hypochlorite and ammonia systems, including all equipment, connected piping, foundations, containment and separation of chemicals, masonry block building, electrical, instrumentation, HVAC and fire sprinkler (East Aliso Creek facility only), and eye-wash/shower stations. The design will include all components necessary for complete and operational reservoir management systems.

TECHNICAL APPROACH

12.5% Sodium Hypochlorite Storage Tanks

LEE & RO's approach for storage of the bulk sodium hypochlorite will be based on 30 days of on-site storage. For the La Paz Reservoirs site and the Seville Reservoirs site, we recommend a 300 gallon capacity storage tank. For the East Aliso Creek Reservoir site, we recommend a tank with a 1,000 gallon storage capacity. The most common tank material used for sodium hypochlorite storage is either fiberglass reinforced plastic (FRP), high density linear polyethylene (HDLPE), or high density cross-linked polyethylene (HDXLPE). Although the Tetra Tech report recommends a FRP tank due to a longer life, for storage volumes under approximately 12,000 gallons, a polyethylene tank will be cheaper. In addition, since the tank will be located inside the RMS building, it will not be exposed to the sunlight and will not experience cracking resulting from UV radiation. Polyethylene tanks can also be provided with double wall containment. These issues will be evaluated and presented in the Preliminary Design Technical Memorandum (PDTM).

19% Ammonia Storage Tanks

LEE & RO agrees with Tetra Tech's report recommendation of a 275 gallon capacity ammonia storage tank at all three reservoir sites. The ammonia system can be supplied as a skid-mounted system with a 316 stainless steel tank and chiller, a peristaltic metering pump and all associated appurtenances. The chiller maintains the temperature of the ammonia liquid below 60°F thereby minimizing product degradation and over-pressurization of the ammonia solution. We will also assess the re-use of the existing ammonia storage tanks and tank containment systems in the PDTM.

Chemical Pumps

LEE & RO will evaluate the use of various types of chemical metering pumps. Diaphragm pumps and peristaltic pumps are typically utilized for applications like this where the chemical dosing rate is relatively low.

Peristaltic pumps are compact in size, have low capital costs, have a high turndown ratio, and are relatively easy to maintain. There are fewer components (only tubing) in contact with the chemical. They come with leak detection for tubing failures and they do not experience pump priming issues. Their disadvantages include a limited discharge pressure (less than 125 psi), the feed rate slowly diminishes over time as a result of the degradation of the tubing, and the tubing must be replaced at regular intervals to prevent failure.

Although diaphragm pumps can have higher discharge pressures, they tend to not have as high of a turndown ratio as do peristaltic pumps, much more of the internal components are in contact with the chemical, and they can vapor lock in sodium hypochlorite applications as a result of chemical off-gassing.

LEE & RO has experience designing similar chemical systems utilizing peristaltic pumps in sodium hypochlorite and sodium bisulfite applications for Inland Empire Utilities Agency and the City of Riverside, and in ferric chloride applications for West Basin Municipal Water District.

For the application at the East Aliso Creek Reservoir site where the chemical building will be located at an elevation difference of some 65 feet to the top of the reservoir, total dynamic head losses will be less than 80 feet. A peristaltic pump can provide approximately 290 feet of head. We will, therefore, likely recommend peristaltic pumps for all locations.

Piping and Valves

Chemically compatible material such as PVC or CVPC should be used in both sodium hypochlorite and ammonia applications. Piping located outside of the containment area of the chemical building should be double-walled. For the hypochlorite system, we will recommend using PVC or CPVC vented ball valves to vent any off-gasses and prevent the valve from exploding. We also recommend installation of a degassing valve at the high point in the line to help remove the gas bubbles caused from hypochlorite product degradation off-gassing.

Chemical Buildings

LEE & RO will design a concrete masonry unit (CMU) block building with a steel roof frame and metal deck in compliance with the 2013 California Building Code (CBC). Please refer to **Exhibit 2-1**, in **Appendix 2** for a typical structural design of the chemical building. The building layout will include separate rooms for sodium hypochlorite storage and ammonia storage with a concrete containment curb for each room for secondary containment. A double door will be designed for each chemical room. The buildings will be sized to accommodate on-site generation systems should the District decide to switch to on-site generation systems at some point in the future. A retaining wall will likely be required to hold back the slope for the proposed chemical building location at the East Aliso Creek Reservoir site.

Containment areas are typically designed with sufficient volume to hold a chemical spill from one full tank. The containment curb must therefore provide sufficient wall height to contain an accidental chemical spill from the tank. Another containment design issue involves the location of equipment such as pumps, piping valves, flowmeters, etc. within the containment area. If this equipment is not located on elevated pads, they can become submerged during a large accidental chemical spill. The design will include raised equipment foundations so that the equipment is not submerged in the event of an accidental spill. Another containment design issue to be considered involves access for chemical deliveries and the design of the chemical storage tank fill station, which should be located within the containment area to capture and contain any delivery spills.

Sumps will also be provided complete with level instrumentation and alarms. Safety showers and eyewash stations will be included in each chemical room with an additional station located outside the building. Booster pump stations may be required for the showers and eyewash stations at the East Aliso Creek Reservoir and the Seville Reservoirs sites.

Due to the volume of hypochlorite storage at the East Aliso Creek Reservoir (1,000 gallons), the chemical building will be equipped with a fire sprinkler system in accordance with the California Fire Code (CFC) and the Orange County Fire Authority (OCFA).

The chemical building design will also include HVAC and ventilation. At temperatures in excess of 77°F, sodium hypochlorite will begin to decompose and will weaken in strength. A thermostat-controlled air conditioning system will be designed for the sodium hypochlorite storage room to keep temperatures below 77°F. The ammonia system will be provided with a chiller to keep the liquid ammonia below 60°F to minimize degradation and pressurization. Ventilation fans will be provided in each room.

The proposed location of the RMS chemical building for the La Paz Reservoirs site sits directly on top of the existing storm drain catch basin. LEE & RO will provide a design to relocate this catch basin and reroute the drain lines for each reservoir into the relocated catch basin. We have prepared scaled 3D graphics for each of the facility layouts and they are included in **Appendix 2** as **Exhibits 2-2, 2-3 and 2-4**, respectively. We have also included expanded cut-away views (also scaled) of the La Paz Reservoirs RMS chemical building as **Exhibits 2-5 and 2-6**.

Reservoir Mixing Systems

LEE & RO will evaluate the various mixer options to replace the existing reservoir mixing systems. Ease of operation and maintenance will be primary considerations. In addition, the new mixer motor (or pump) will be installed outside of the tank on the reservoir roof. This will eliminate having to drain the equipment to repair a mixer located inside the reservoir. All materials shall be 316 stainless steel.

Electrical, Instrumentation & Control

LEE & RO will conduct an assessment of power requirements and availability at each site. LEE & RO will provide design support and coordination with the utility providers as needed. The District reports that there is currently a 200A single phase service available at the East Aliso Creek Reservoir site, a 480V 3-phase service available at the La Paz Reservoirs site, and a 100A single phase service available at the Seville Reservoirs site.

We will need to determine the existing electrical loads and new loads proposed to verify if the existing electrical service is sufficient. However, we anticipate that a new service will be required for the Seville Reservoirs site and that potentially a new service may be required at the East Aliso Creek Reservoir site. We anticipate sufficient available electrical power at the La Paz Reservoirs site.

The existing ChlorTec buildings at each site that will be demolished contain power and communications connections that are not directly related to the ChlorTec operation, such as radio transmitters, level transmitters, and earthquake valves. These existing connections will be moved over and incorporated into the new reservoir management systems. The radio transmitter at the Seville Reservoirs site serves as a hub location for the District and requires a backup power supply. There is a small backup generator and ATS at this site. This backup generator is also setup to provide backup power to the PLC in the existing OSG system. We will need to determine if the existing generator is sufficient to provide the necessary backup power for the new facilities. We suspect that the existing OSG system may require more electrical power than the new facilities will and that the existing generator capacity will be sufficient. This will be verified in the preliminary design.

Chemical usage data shows that the District currently uses chloramines added in concentrations of 4.5:1 of chlorine to ammonia. Analytical instrumentation will be designed to monitor and control the desired chlorine residual within the reservoirs. RMS control units shall be designed to interface with the District's central SCADA system for monitoring and control.

As the District does not intend to perform programming utilizing District staff, LEE & RO will work with the District to develop the control philosophies and incorporate the necessary programming requirements into the specifications for inclusion in the Contractor's scope of work.

SCOPE OF WORK

LEE & RO acknowledges the scope of work specified in the RFP and confirms that the LEE & RO team will provide the specified services in accordance with RFP scope of work tasks. The scope of work tasks, as provided in the RFP, have been used to develop our level of effort table, which is included at the end of this Section as **Exhibit A-2**, and our fee estimate, which is included as **Exhibit 1** in a separate envelope. We have also included a preliminary project schedule in Section D.

Project Deliverables

LEE & RO will prepare and submit a complete set of Contract Documents (Construction Drawings and Specifications). It is understood that all three sites are to be included in a single bid package, but the specification package will include a separate bid schedule for each site.

We have estimated that a total of 25 drawings will be required for this project. A preliminary project drawing list is included below as **Exhibit A-1**. LEE & RO will produce preliminary design and final design documents for the RMS replacements and will make the following design submittals. We have also allowed for design workshops following the draft preliminary design report, following the 75% design submittal, and following the 100% design submittal. Project deliverables will be in the format and quantities specified in the RFP and shall include the following:

- Agenda and meeting minutes for five (5) meetings
- Biweekly schedule updates
- Copies of correspondence with other utility owners
- Potholing plan for recommended potholing and subsequent potholing report
- Proposed geotechnical boring locations and completed geotechnical reports
- Draft preliminary design technical memorandum (PDTM)
- Final PDTM
- 75% design submittal
- 100% design submittal
- Final contract documents
- Preliminary and final estimates of probable construction costs
- Permit applications and plan check packages
- Addenda for design related issues; prebid meeting agenda and minutes
- Preconstruction meeting agenda and minutes
- As-built record drawings

Exhibit A-1: Preliminary Drawing List

Sheet No.	DWG No.	Drawing Title / Description
1	G-1	Title Sheet Vicinity Map and Location Map
2	G-2	Drawing Index, General Notes and Design Criteria
3	G-3	Symbols and Abbreviations
4	D-1	Demolition Plans – East Aliso Creek, La Paz and Seville Reservoirs ClorTec Sheds
5	C-1	Site and Yard Piping Plan – East Aliso Creek Reservoir
6	C-2	Site and Yard Piping Plan – La Paz Reservoirs
7	C-3	Site and Yard Piping Plan – Seville Reservoirs
8	C-4	Grading and Paving Plan – East Aliso Creek Reservoir
9	S-1	Structural General Notes
10	S-2	Structural Standard Details
11	S-3	Chemical Storage Building Plans (Foundation, Roof and Roof Drainage) and Sections – East Aliso Creek Reservoir
12	S-4	Chemical Storage Building Plans (Foundation, Roof and Roof Drainage) and Sections – La Paz & Seville Reservoirs
13	M-1	Chemical Storage Building Mechanical Plan and Sections – East Aliso Creek Reservoir
14	M-2	Chemical Storage Building Mechanical Plan and Sections – La Paz & Seville Reservoirs
15	M-3	Sodium Hypochlorite and Ammonia Building Details
16	M-4	Reservoir Chemical Mixing System Details
17	M-5	Mechanical Standard Details

Sheet No.	DWG No.	Drawing Title / Description
18	E-1	Electrical Symbols and Abbreviations
19	E-2	Electrical Single Line Diagram and Panel Board Schedule
20	E-3	Electrical Site Power and Lighting Plan - East Aliso Creek Reservoir
21	E-4	Electrical Site Power and Lighting Plan - La Paz and Seville Reservoirs
22	E-5	Cable and Conduit Schedules
23	I-1	Instrumentation Symbols and Abbreviations
24	I-2	SCADA Block Diagram
25	I-3	Chemical Storage and Feed System

LEVEL OF EFFORT

As requested in the RFP, we include on the following page, **Exhibit A-2** detailing our level of effort anticipated to complete the identified scope of work tasks.



Exhibit A-2: Level of Effort

Labor Category: E8 Managing Engineer; E7 Supervising Engineer; E6 Principal Engineer; E5 Senior Engineer; E4 Engineer; E3 Associate Engineer; T5 Senior Designer; T4 Designer; T3 Associate Designer; A3 Word Processor	E8	E7	E6	E5	E4	E3	T5	T4	T3	A3	Total Hours
Project Tasks											
Task 1: Project Management, Contract Administration & QA/QC											
Task 1.1 Project Management and Contract Administration (10 Months to Final Docs)			40							16	56
Task 1.2 Meetings (KO Mtg, 3 Review Mtgs)			16							4	20
Task 1.3 Orange County Fire Authority Coordination Meeting			4								4
Task 1.3 Quality Assurance/Quality Control	16		24								40
Subtotal Task 1, Project Management & QA/QC	16	0	84	0	0	0	0	0	0	20	120
Task 2: Records Search and and Records Review											
Task 2.1 Thoroughly Review Existing Reference Documentation and Records		4	8		4						16
Subtotal Task 2, Records Search and Records Review	0	4	8	0	4	0	0	0	0	0	16
Task 3: Utility Research											
Task 3.1 Perform Comprehensive Utility Research			4		6	8		4	4		26
Subtotal Task 3, Utility Research	0	0	4	0	6	8	0	4	4	0	26
Task 4: Survey											
Task 4.1 Perform Surveys at Each Site						4		12			16
Subtotal Task 4, Survey	0	0	0	0	0	4	0	12	0	0	16
Task 5: Potholing											
Task 5.1 Perform Potholing at Each Site and Prepare Potholing Report (up to 8 potholes)			2		4	4		4	4		18
Subtotal Task 5, Potholing	0	0	2	0	4	4	0	4	4	0	18
Task 6: Geotechnical Exploration											
Task 6.1 Soils Borings and Preparation of Geotechnical Investigation Reports				6							6
Subtotal Task 6, Geotechnical Exploration	0	0	0	6	0	0	0	0	0	0	6
Task 7: Preliminary Design											
Task 7.1 Prepare Draft Preliminary Design Technical Memorandum (PDTM)		4	44	10	12	18	8	18	20	4	138
Task 7.2 Prepare Final PDTM		6	12	6		30		14	10	4	82
Subtotal Task 7, Preliminary Design	0	10	56	16	12	48	8	32	30	8	220
Task 8: Preparation of Contract Documents											
Task 8.1 75% Design Submittal		8	16	22	18	20	38	60	80	12	274
Task 8.2 100% Design Submittal		4	14	16	12	18	20	40	60	12	196
Task 8.3 Final Contract Documents			4						8	10	22
Subtotal Task 3, Preparation of Contract Documents	0	12	34	38	30	38	58	100	148	34	492
Task 9: Engineer's Estimate of Probable Construction Costs											
Task 9.1 Prepare 75% and 100% Estimates		2	4		12	16					34
Subtotal Task 9, Estimate of Probable Construction Costs	0	2	4	0	12	16	0	0	0	0	34
Task 10: Permit Acquisition Support											
Task 10.1 Prepare Permit Applications and Plan Check Packages			2	2	4	4			4		16
Subtotal Task 9, Estimate of Probable Construction Costs	0	0	2	2	4	4	0	0	4	0	16
Task 11: Bid Phase Support Services											
Task 11.1 Conduct Pre-Bid Meeting			2							2	4
Task 11.2 Prepare Addenda for Design Related Issues (Assume up to 2 Addenda)			8	16		8		12		8	52
Subtotal Task 11, Bid Phase Support Services	0	0	10	16	0	0	12	0	10	56	
Task 12: Construction Phase Engineering Services											
Task 12.1 Attend Pre-Construction Meeting			4							2	6
Task 12.2 Respond to Contractor's RFIs (10 RFIs @ 2.5 hrs per RFI plus clerical)			4	2	8	8			4	4	30
Task 12.3 Review and Respond to Contractor's Shop Drawing Submittals (30 submittals @ 3 hrs per review and 20 resubmittals @ 1 hr per review plus clerical)		16	24	36	24	10				24	134
Task 12.4 Site Visits (4 Site Visits at 2 hrs per Visit)		2	12	4							18
Task 12.5 Prepare As-Built Record Drawings from Contractor's Redline Markups					4				8		12
Subtotal Task 5, Construction Phase Engineering Services	0	18	44	42	36	18	0	0	12	30	200
TOTAL NOT-TO-EXCEED	16	46	248	120	108	140	66	164	202	102	1,220

Team

LEE & RO personnel proposed for this project have managed and engineered many projects with very similar design elements as those in the District’s reservoir management systems replacement project. The LEE & RO team organization, identifying the roles and responsibilities of proposed key personnel and specialty subconsultants, is shown in **Exhibit B-1** below. Brief biographies of key team member staff follows. Full resumes are included in **Appendix 1**.

The current workload for the proposed team members is such that all are immediately available to commence work on the project. The project team is sufficiently staffed so all necessary work tasks can be completed on schedule and in a timely manner.

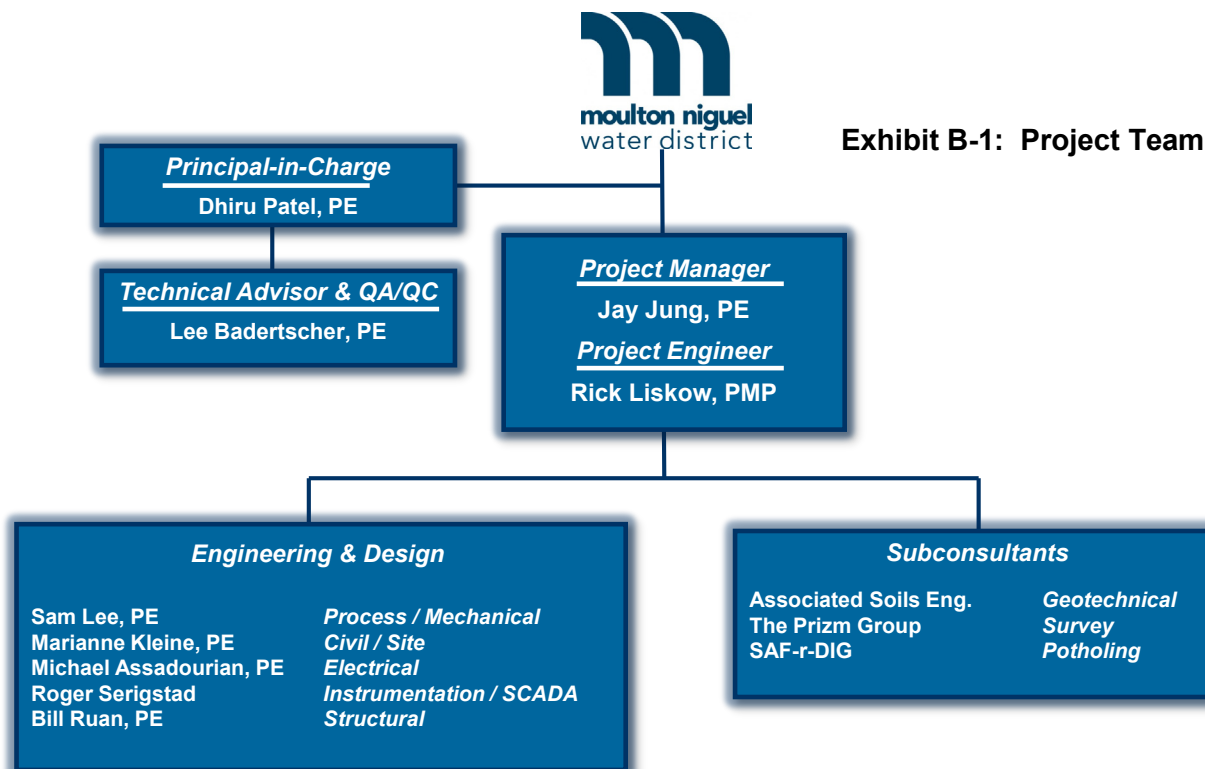


Exhibit B-1: Project Team

Jay Jung, PE, Project Manager

Jay Jung has 15 years of process research and design, as well as treatment facility engineering experience in the municipal water and wastewater treatment fields including experiment setup, pilot or full-scale testing, sampling and data analysis, and development of treatment process trains. He has prepared feasibility studies, conducted analysis of existing process trains, and prepared project preliminary design reports. Jay has been a project manager and project engineer responsible for development of plant design criteria, P&IDs, hydraulic profiles, and detailed facility design drawings. His area of expertise includes biological nutrient removal, chemical conditioning and chemical handling facilities, disinfection, granular activated carbon adsorption, and membrane biofiltration.

Lee Badertscher, PE, Technical Advisor & QA/QC

Lee Badertscher has over 30 years of experience in planning, design, and construction of public water infrastructure projects including water treatment and chemical handling facilities. Lee is a California state

registered professional engineer in three (3) engineering disciplines; “Civil,” “Electrical,” and “Control Systems (Instrumentation).” Lee has successfully managed and completed projects with all of the same design elements as in this project, including civil, mechanical, structural, chemical storage and metering systems, electrical, instrumentation & controls, and facility automation. As a senior level engineer, LEE often leads the QA/QC activities on those projects where he is not directly involved in the day-to-day execution of the project.

Rick Liskow, PMP, Project Engineer

Rick Liskow has 25 years of experience in the engineering and design of municipal water and wastewater facilities and infrastructure, as well as design-build projects in the industrial sector. He has served as project manager and project engineer on numerous water, wastewater, and water reclamation facility projects for various municipalities and water agencies. Rick is a project engineer, as well as a credentialed project management professional, with hands-on experience involving various process, chemical and mechanical equipment systems, including chemical facilities, disinfection systems, instrumentation and control systems, electrical system evaluation and analysis, and emergency generator systems. Rick is also the Client Manager and Project Director overseeing the various task orders issued by MNWD under a current on-call services contract.

Sam Lee, PE, Process / Mechanical

Sam Lee has over 12 years of diversified civil, sanitary, mechanical and process engineering experience with water and wastewater infrastructure engineering projects. His experience includes facility investigation and evaluation, preparation of as-built background drawings through verification of existing facility dimensions, CAD-based equipment and piping layout, engineering analysis and design, and construction phase engineering for wastewater and water treatment facilities, booster pump stations and other conveyance systems. His recent experience includes investigation and condition assessment of primary sedimentation tanks at a large wastewater treatment plant. His construction phase engineering experience includes shop drawing and equipment submittal reviews, RFI responses, preparation of as-built record drawings, and coordination with resident engineering staff.

Marianne Kleine, PE, Civil/Site

Marianne Kleine has 10 years of experience in water, wastewater, and recycled water conveyance system engineering, design and construction support services. Marianne has participated in many of LEE & RO’s pumping station and pipeline projects and is very proficient at conducting utility research and investigations, and coordination of activities with utility companies and various regulatory agencies for securing required permits and approved environmental reports such as SWPPP, WQMP, etc. Marianne authored “Standard Procedures for Utility Search, Communication and Documentation Procedures for the LEE & RO Pipeline Design Manual. She has secured permits for numerous projects including encroachment permits from Caltrans and railroad companies, various flood control districts, Regional Water Quality Control Boards, CA Dept. of Fish & Wildlife, and California Coastal Commission.

Michael Assadourian, PE, Electrical

Michael Assadourian has over 25 years of experience covering, electrical and control systems engineering, design, construction and project management for water and wastewater treatment plants, pump stations, emergency power generation systems, water conveyance facilities, petrochemical plants, and refineries. He has in-depth knowledge of power distribution and lighting systems, both NEMA and IEC standards based; motor controls and variable frequency drives; coordination with power & utility companies; and SCADA and radio/microwave systems. His work experience includes P&ID development, electrical system condition assessment, ETAP analysis, load flow and short-circuit analysis, and protective device coordination studies. He has extensive experience in retrofitting existing plants with new power and controls and resolving construction-related problems. Michael has provided a wide variety of construction support services including equipment & shop drawings review, processing of RFIs, resolving construction issues, and electrical system commissioning and start-up.

Roger Serigstad, Instrumentation / SCADA

Roger Serigstad has over 20 years of instrumentation and control (I&C) and SCADA system engineering, design and construction experience in municipal water and wastewater facilities, power, and the oil/gas industry, including refineries. He is proficient at producing drawings, specifications, instrument databases, and has extensive experience with PLCs and SCADA systems. He has prepared P&IDs, control logic diagrams, instrument loop diagrams, location plans, instrument indexes, instrument I/O indexes, block diagrams, and installation details.

Bill Ruan, PE, Structural

Bill Ruan has more than 25 years of structural engineering experience. He is experienced in all major construction materials and has designed a variety of structures and buildings built of concrete, steel, masonry, and timber. He has designed many water facilities which include water and wastewater treatment plants, pump stations, reservoirs, and storage facilities. He also designed structures associated with substations, silo frames, retaining walls, compressor houses, warehouses, pipe racks, tank & equipment foundations, and cooling towers. He is proficient in SAP2000, ENERCALC, RISA-3D/2D, StaadPro, RISA-foot, SAFE, PCA-package (PCA-mats, PCA-column), WoodCAD, Hilti Connection, AutoCAD, and MathCAD computer programs. Combining his extensive experiences and strong computer skills, he provides accurate analyses, high-quality designs, and cost-effective solutions to clients.

Dhiru Patel, PE, Project Director and Principal-in-Charge

Dhiru has 30 years of potable water, recycled water, and wastewater facilities planning, engineering, design, and project & construction management experience. He has served as lead engineer, project engineer, project manager, project director, construction manager, and QA/QC officer on numerous water infrastructure capital improvement projects with construction costs ranging up to \$45 million. He has extensive experience in managing multiple projects requiring multidiscipline engineering skills (treatment process, conveyance, mechanical, electrical, and instrumentation & controls). Dhiru serves as Project Director and Principal-in-Charge of many of LEE & RO's projects, where he ensures corporate responsibility for the team's performance.

SUBCONSULTANTS

Associated Soils Engineering, Geotechnical

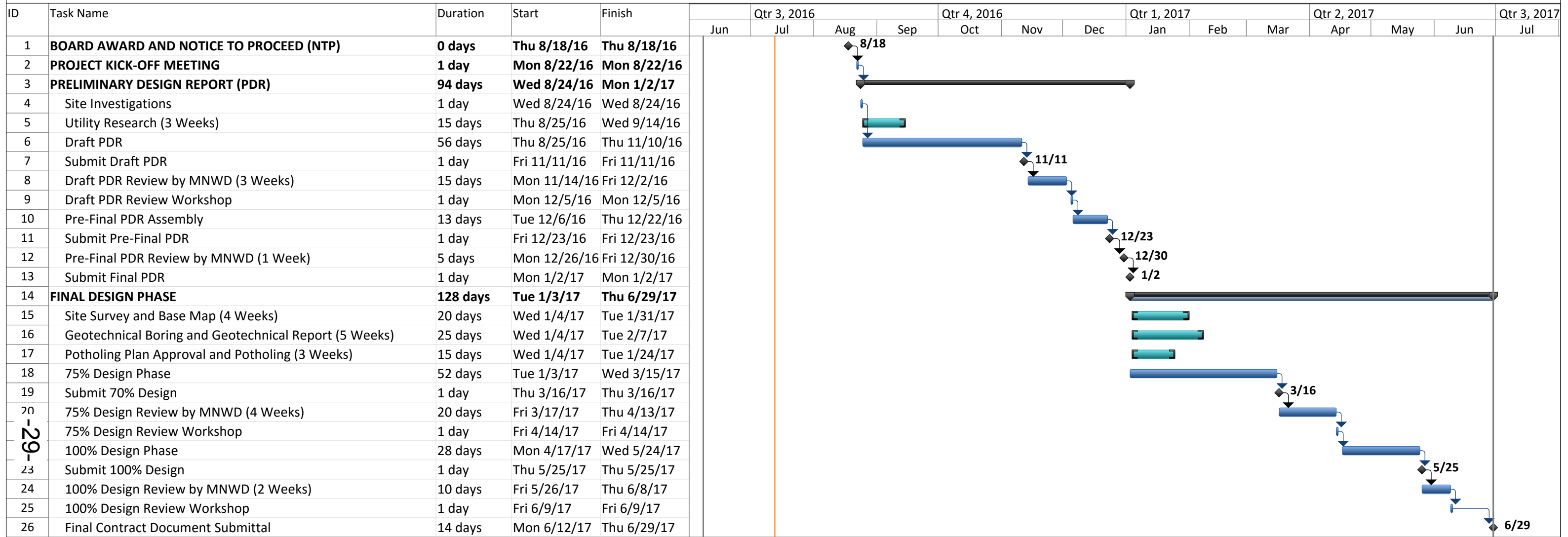
Associated Soils Engineering (ASE) was incorporated in 1974 in the State of California. ASE has provided geotechnical design, material testing, and construction testing services for nearly four decades in Southern California and can use the vast experience, information and data gathered over the years to provide quick and cost-effective geotechnical solutions to your project. ASE has provided geotechnical engineering services on many of LEE & RO's projects. They are also familiar with the geology in the MNWD service area through their previous geotechnical investigation work for the City of Laguna Niguel.

The Prizm Group, Topographic Survey

TPG is owned and operated by Vincent Kleppe, who has been a Licensed Land Surveyor and registered Civil Engineer for over 16 years. The dual licensure of the principal has allowed TPG to provide services in both disciplines which has resulted in a thorough understanding of the need for complete and accurate field surveys. TPG is a favored survey subconsultant for LEE & RO having provided survey services on many LEE & RO projects.

SAF-r-DIG, Potholing

The SAF-r-DIG organization is a state-licensed, federally-certified, minority-owned, certified small business (OSMB #0011159) utility-based subsurface information-service provider with a WBE (100% woman owned business) status. They hold a State of California General Engineering (Class A) Contractor's License (#712492) with Hazardous Substances Removal and Remedial Actions Certification.



MNWD 2016-17 Reservoir Management Systems Replacement (Project No. 2015.013)

Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start-only			
Summary		Inactive Task		Duration-only		Finish-only			



moulton niguel water district

REQUEST FOR PROPOSAL

TO PROVIDE

ENGINEERING CONSULTING SERVICES

FOR

**2016-17 RESERVOIR MANAGEMENT SYSTEMS
REPLACEMENT
(Project No. 2015.013)**

Proposals Due

July 19, 2016 at 2:00 p.m.

Issued By:

**Moulton Niguel Water District
26161 Gordon Road, Laguna Hills, CA 92653**

**Issue Date
June 9, 2016**

2016-17 Reservoir Management Systems Replacement
6/9/2016
Page 1 of 14

VIA EMAIL

**Regarding: Moulton Niguel Water District
Request for Proposal for Engineering Consulting Services
2016-17 Reservoir Management Systems Replacement
Project No. 2015.013**

The Moulton Niguel Water District (District) is requesting proposals for engineering consulting services for the 2016-17 Reservoir Management Systems Replacement. The services required will include preliminary and final design; preparation of construction documents and construction cost estimates; permit acquisition support; bid phase support; construction phase services; and associated services encompassing the extent of the 2016-17 Reservoir Management Systems Replacement. The scope of services required is described in further detail below. **Proposals will be accepted until 2:00 P.M. on July 19, 2016, at the Moulton Niguel Water District, 26161 Gordon Road, Laguna Hills, CA 92653 (Building 1).** Three (3) copies of your technical proposal and fee proposal are requested, in addition to a searchable PDF copy. Fee proposal shall be separated from technical proposal in separate sealed envelope.

1. PROJECT LOCATION, DESCRIPTION, AND BACKGROUND INFORMATION

The District currently operates 20 on-site generation (OSG) reservoir management systems (RMS), at reservoir sites throughout the District's potable water distribution system. These systems are used to support water quality, including residual maintenance and nitrification control. The existing OSG systems were installed in the late 1990's and early 2000's. Most systems have capacities of 12, 24, or 36 pounds per day (ppd), consisting of one, two, or three 12 ppd units. The District's largest OSG system, located at the East Aliso Creek Reservoir site, has a capacity of 100 ppd, consisting of two 50 ppd units. The existing OSG systems are nearing the end of their useful lives.

The District recently conducted a study to evaluate options for refurbishing or replacing the existing OSG systems, including a comparison of 12.5% bulk sodium hypochlorite versus OSG. The study involved a significant amount of input from District Engineering and Operations staff and included an assessment of the specific constraints and special considerations at each RMS site. The study recommends to replace a majority of the existing OSG systems with 12.5% bulk sodium hypochlorite and ammonia systems. However, at four of the sites, the study recommends to replace the existing OSG systems with new OSG systems due to infrequent use or lack of available space at the site to accommodate a bulk system.

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The District plans to replace the existing OSG systems incrementally. For this first project, three RMS sites (listed below) were selected for replacement of the existing OSG systems with 12.5% bulk hypochlorite and ammonia systems:

- East Aliso Creek Reservoir (One 10.0 MG Reservoir)
- La Paz Reservoirs (Two 1.0 MG Reservoirs)
- Seville Reservoirs (Two 1.125 MG Reservoirs)

For these three RMS sites, this project will include engineering consulting services related to the demolition of the existing OSG systems including all equipment, connected piping, buildings, foundations, and utilities. It will also include engineering consulting services related to the construction of new 12.5% bulk sodium hypochlorite and ammonia systems including all equipment, connected piping, foundations, containment and separation of chemicals, permanent-type (e.g. block) buildings, electrical, instrumentation, HVAC and fire sprinkler (where required), and shower/eyewash stations. New major equipment includes bulk chemical tanks, chiller for ammonia tanks, dosing pumps, reservoir mixers, and analytic and control units. Control units shall be designed to interface with the District's central SCADA system for monitoring and control. Designs shall include all components necessary for complete and operational reservoir management systems.

2. SCOPE OF WORK

Work includes preliminary and final design; preparation of construction documents and construction cost estimates; permit acquisition support; bid phase support; and construction phase services. Proposals for the project should include and show all labor hours and labor costs by position, and all other direct costs for the required work. Consultants are encouraged to modify and/or expand on the scope of work to demonstrate their understanding of the project and describe their project approach in detail. Work shall consist of, but shall not be limited to, the following tasks:

2.1 Project Administration/Management

The Consultant shall include in the scope of work sufficient time and budget to administer the services provided. Administration shall include, but not be limited to, project kick-off meeting and site visits, project design review meetings after each submittal (as identified in Tasks 2.7 and 2.8 below), coordination meeting with the Orange County Fire Authority (OCFA), and preparation of meeting agendas and minutes for each meeting. Project administration shall also include preparation and maintenance of the project schedule.

Deliverables: Agendas and minutes for five (5) meetings; biweekly schedule updates

2.2 Records Search and Records Review

The “System-Wide Reservoir Disinfection Technology Study”, Contract No. 2015.013 was completed and is available as a reference document. Please note that the District does not have record drawings for the existing OSG systems. The existing OSG systems were installed in two phases under design/build contracts with ClorTec. The design/build contract scope of work for phases 1 and 2 of the ClorTec installations are available as reference documents. The approximate locations of the existing OSG facilities are shown on the Sectional Maps. The Sectional Maps are also marked up with potential locations of the new RMS buildings. The markups provided on the Sectional Maps indicate the District’s preferred locations of the new RMS buildings and take precedent over the locations proposed in the study.

The District has made the following information available for download at the link below:
<https://mnwd.sharefile.com/d-s8f1fb3abb224c369>

- A. System-Wide Reservoir Disinfection Technology Study, Contract No. 2015.013
- B. Sectional Maps (with markup showing potential new RMS building locations)
- C. ClorTec Contract Scope of Work – Phase 1 (note East Aliso Creek site a.k.a. Big B)
- D. ClorTec Contract Scope of Work – Phase 2
- E. East Aliso Creek Reservoir Drawings, Contract No. 1-10
- F. La Paz Road 2 M.G. Reservoir Drawings
- G. Seville Reservoir Drawings, Contract No. 3-9

This task covers detailed review of these records. After award, the District will attempt to locate any other information requested by the Consultant.

“Records Search” shall include, but is not limited to the following:

- A. Monument ties and benchmark data
- B. Environmental constraints
- C. See Task 2.3 below regarding utility research

Deliverables: Electronic copies of all relevant information obtained from Records Search.

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2.3 Utility Research

Implement a systematic approach to accurately identify and locate existing utilities in construction area. Said approach may include, but is not limited to the following:

- A. Submit letters to all utilities identified on USA's database
- B. Organize a USA meet and mark
- C. Pre-mark all visible facilities during site walk-through
- D. Ensure that the utilities shown on available record drawings are accurate; update as required
- E. Submit preliminary construction drawings to any other affected utility owners (if any) requesting their review to ensure their facilities are correctly shown

Deliverables: Copies of any correspondence with other utility owners; drawings to indicate any recommended potholing

2.4 Surveying

Provide site survey as necessary to supplement the record drawings and prepare the construction plans. Consultant shall provide ground control survey for surface structures and utilities (including appurtenances) above grade, below ground utilities, and other elements relevant to preparing comprehensive construction drawings for construction of the proposed facilities. At a minimum, new base drawings shall be prepared for the immediate vicinity of the proposed facilities.

Deliverables: None

2.5 Potholing

Following the completion of Tasks 2.3 and 2.4 above, Consultant shall prepare a potholing plan for locating underground utilities that may conflict with the proposed RMS building locations. In general, the District does not want to locate the proposed RMS buildings over existing utilities. The plan shall include a list and redlined drawings of recommended utilities to be potholed. The District will approve this list prior to commencing. Potholing shall be performed to verify the exact horizontal and vertical locations of all potential utility conflicts. Potholing depth shall be sufficient to determine the top and bottom of the potential utility conflicts. Consultant shall submit a pothole report to document findings.

For this proposal, Consultant shall assume that approximately eight (8) potholes will be required.

Deliverables: List and drawings of proposed pothole locations; pothole report

2.6 Geotechnical Exploration

Consultant shall prepare a geotechnical exploration and testing plan for the proposed facilities. The plan shall include a list and redlined drawings of recommended geotechnical boring locations. The District will approve this list prior to commencing. The number and depth of the soil borings shall be adequate, in the Consultant's professional judgement, to define the soils properties affecting the design and construction of the proposed facilities. Consultant shall submit a geotechnical report to document findings and provide recommendations. The locations of all borings shall be plotted on a map and attached to the report, preferably using survey coordinates consistent with the site survey. Complete logs of all soil profiles shall be included in the report with all thicknesses, descriptions, classifications, and properties relevant to the design and construction of the proposed facilities. The report shall make recommendations relevant to the design, including but not limited to dewatering, shoring, backfill, and compaction. The report shall also address seismic design factors for the proposed facilities.

For this proposal, Consultant shall assume a minimum of one (1) boring at each site, or as otherwise recommended by the Consultant.

Deliverables: List and drawings of proposed boring locations; geotechnical report

2.7 Preliminary Design

Preliminary Design shall include the following items at a minimum:

- Design criteria for buildings including HVAC and fire protection (The District understands that only the proposed facility at the East Aliso Creek Reservoir site will require fire sprinklers per the Uniform Fire Code due to the large volume of sodium hypochlorite to be stored at this location)
- Design criteria and basis of design selections including cut-sheets for all major equipment items
- Preliminary site plans including preliminary chemical and sample line routing and analysis of chemical delivery truck accessibility for each site (Consultant shall conduct onsite meetings with a minimum of two local chemical delivery companies to look at chemical delivery truck accessibility for each site)
- Preliminary RMS building sizing and layouts for each site
- Assessment of power needs and availability at each site (if power supply upgrades are required, Consultant shall provide design support and coordination with utility providers as needed)
- Discussion of ability to reuse existing equipment as part of the new systems and related cost implications
- Control philosophies (to be established based on input from District staff)

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- Draft Preliminary Design Technical Memorandum (PDTM) – Prepare draft PDTM that documents the above items.
- Final PDTM – Incorporate District comments from review of Draft PDTM or provide explanation of comment dismissal.

Deliverables:

- Five (5) hard copies and a searchable PDF copy of Draft PDTM for District review
- Five (5) signed hard copies and a searchable PDF copy of Final PDTM

2.8 Preparation of Contract Documents

The Consultant shall prepare a complete set of Contract Documents (Construction Drawings and Specifications) for construction of the proposed facilities. The Consultant shall prepare the Contract Documents using the District's standard format, standard forms, standard agreement, standard bonds, complete General Provisions, pertinent Special Provisions, pertinent Technical Specifications, and pertinent Standard Drawings. The District will provide the latest versions of these documents prior to the Consultant commencing Task 2.8. In general, the construction drawings, bid sheets, special provisions, and technical specifications will require a high degree of specialization.

The design shall address the recommendations of the System-Wide Reservoir Disinfection Technology Study (Task 2.2) for the three RMS sites included in this project and the recommendations of the Preliminary Design Technical Memorandum (Task 2.7). The Consultant will be required to make the three (3) submittals described as follows.

All three RMS sites are to be included in a single bid package. However, each site should have a separate bid schedule.

75% Submittal

Plans for this submittal shall include detailed components of the facility design, including civil/site, mechanical, and electrical/instrumentation plans, sections, and details. All sections of the Contract Documents and Specifications shall be included along with a preliminary engineer's estimate of probable construction cost (Task 2.9).

100% Submittal

This submittal will include the complete Construction Plans, Construction Documents and Specifications, and a final engineer's estimate of probable construction cost (Task 2.9).

The 100% submittal shall incorporate all District comments from the 75% Review (or an explanation of why the comment was dismissed). The 100% submittal shall be ready to bid in the Consultant's opinion.

Final Contract Documents

After the District completes a cursory review of the 100% submittal, the Consultant will be instructed to prepare Final Contract Documents. The Final Contract Documents shall incorporate all District Comments from the 100% Review (or an explanation of why the comment was dismissed). The Final Contract Documents shall be stamped and signed construction plans (Mylar's) and unbound specifications for District's signatures.

After obtaining District signatures, Consultant shall provide the District with fifteen (15) sets of bound full size construction plans and fifteen (15) sets of bound construction specifications with 11"x17" reduced construction drawings enclosed as an exhibit.

Deliverables:

- 75% Submittal – Five (5) full size sets of construction plans and Five (5) sets of bound construction specifications with 11"x17" reduced construction drawings enclosed as an exhibit. A fully searchable PDF copy will also be required. The preliminary construction cost estimate is to be provided with this submittal.
- 100% Submittal – Five (5) full size sets of construction plans and Five (5) sets of bound construction specifications with 11"x17" reduced construction drawings enclosed as an exhibit. A fully searchable PDF copy will also be required. The final construction cost estimate is to be provided with this submittal.
- Final Contract Documents – One (1) full size set of stamped and signed reproducible construction plans (Mylars) and unbound specifications for District signature. Thereafter, fifteen (15) sets of bound full size construction plans and fifteen (15) sets of bound construction specifications with 11"x17" reduced construction drawings enclosed as an exhibit. For the final submittal, specifications shall be provided with colored pages as follows: Bid Forms – White, General Provisions – Blue, Special Provisions – Pink, and Technical Specifications – Green. A fully searchable PDF copy will also be required.

Note: "Full size" Drawings/Plans shall be 22" x 34" such that 11" x 17" prints are true half size. Also, construction drawings shall be tied to the State Plane Coordinate System.

2.9 Construction Cost Estimate

The Consultant shall provide to the District an estimate of the probable construction cost for the complete project. Two formats of the estimate shall be provided: (1) full detailed cost breakdown and (2) in the format of bid items prepared for the Construction Specifications. Construction cost estimates shall be provided with 75% and 100% Submittals (i.e. preliminary construction cost estimate and final construction cost estimate). The final construction cost estimate shall be prepared in sufficient detail that a contingency is not required.

Deliverables: Preliminary and Final Construction Cost Estimates

#5.

2.10 Permit Acquisition Support

The Consultant shall determine all required permits and plan check requirements for the project. The Consultant shall prepare all permit applications and plan check packages and submit to the proper authorities on the District's behalf. The District will pay applicable permit and plan check fees. It is anticipated that the Orange County Fire Authority will require a plan check for the chemical storage at each site and the fire sprinkler system at the East Aliso Creek Reservoir site.

Deliverables: Permit applications and plan check packages

2.11 Bid Phase Support

During the bidding period, the Consultant shall assist with providing information and clarification of the Contract Documents to prospective bidders as requested. The Consultant shall assume two (2) addenda will be required during the bid process and shall incorporate this scope and fee into the proposal. The Consultant shall also conduct an onsite pre-bid meeting.

Deliverables: Two (2) Addenda if required; pre-bid meeting agenda and minutes

2.12 Construction Phase Services

During the construction of the proposed improvements, the Consultant shall provide the following construction phase services and include appropriate fees in the submitted Proposal:

- A. Pre-Construction Meeting: Conduct pre-construction meeting with the District and Contractor prior to beginning construction and prepare agenda and minutes.
- B. Contractor's RFI: Respond to approximately ten (10) Requests for Information from the Contractor and the District.
- C. Shop Drawing Reviews: Review and acceptance of at least thirty (30) shop drawing submittals. If the Consultant anticipates that more shop drawing submittals than the above stated number will be required, the fee estimate shall state the number of shop drawings and the hours required to review and process that quantity. Consultant shall include an adequate fee amount to perform a second review of each shop drawing submittal.
- D. Site Visits: Four (4) visits of two hours as requested by District staff.

- E. Record Drawings: At the conclusion of the construction, the District will provide the Consultant with a single, consolidated set of red-lined as-built drawings. Consultant shall prepare the final record drawings based on the same. Record drawings shall be prepared in AutoCad.

Deliverables:

- Pre-Construction meeting agenda and minutes
- RFI responses and Submittal Review Comments.
- Three (3) full size sets of draft record drawings. Upon the District’s review and approval, one (1) full size set of mylars with original signatures and one (1) full size set bond copy. In addition, provide electronic files in both AutoCad (including all reference files; NAD-83, State Plane Zone 6, NAVD-88 of all sheets) and PDF.

Note: “Full size” Drawings/Plans shall be 22”x34” such that 11”x17” prints are true half size.

3. SCHEDULE

- | | |
|-----------------------------------|-------------------------------|
| ▪ RFP Issued | June 9, 2016 |
| ▪ Pre-Proposal Meeting (Optional) | June 28, 2016, 10:00 AM |
| ▪ Deadline for Questions | July 8, 2016 |
| ▪ Proposals Due | July 19, 2016, 2:00 PM |
| ▪ Anticipated Board Award | August 18, 2016 |
| ▪ Draft PDTM | November 10, 2016 |
| ▪ Final PDTM | December 22, 2016 |
| ▪ 75% Design Submittal | March 16, 2017 |
| ▪ 100% Design Submittal | May 25, 2017 |
| ▪ Final Contract Documents | June 29, 2017 |

There will be an optional pre-proposal meeting on June 28, 2016 at 10:00 AM at the District’s operations field office located at 26161 Gordon Road, Laguna Hills, CA 92653 (Building 1). A site visit to each of the three sites will occur following the meeting.

The Consultant should review the schedule in detail and propose an alternate schedule if desired. If an alternate schedule is proposed, it should still be such that the project is ready to bid by the end of June 2017.

Consultant shall assume the following District review times:

- | | |
|-----------------------------------|---------|
| ▪ Draft Preliminary Design Report | 3 weeks |
| ▪ Final Preliminary Design Report | 1 week |
| ▪ 75% Design | 4 weeks |
| ▪ 100% Design | 2 weeks |

4. PROPOSAL CONTENTS

The contents of the Proposal should contain the information summarized below, but should be limited to a maximum of twenty (20) total pages, not including appendixes. The fee estimate for the proposed project should be submitted in a separate sealed envelope.

- A. Scope: Detailed scope of work and methodology that comprehensively define and describe the individual tasks. This scope of work will be used as a basis for later contract negotiations. Scope of work may be based upon, but is not limited to, the information provided in Section 2 of this Request for Proposal. If Consultant chooses to cut and paste from this RFP, please format the proposal such that any changes/additions/deletions are apparent (e.g. use colored or italicized text, etc.). The scope of work should also include a level of effort table showing specific staff and hours per each identified task. Consultants are encouraged to provide options or different approaches, where appropriate, to those listed in the scope of work of this RFP. **Consultant shall submit an anticipated list of construction drawings as part of proposal.**

- B. Team: Descriptions of specific experience and capabilities of designated project manager, sub-consultants, and key support staff related to the previously outlined scope of work. Key personnel assigned to the project shall not be reassigned without prior District written approval.

- C. Experience and References: Description of the project team's past record of performance on similar projects for which your firm has provided services. Include a discussion of factors such as control of costs, quality of work, and ability to meet schedules. Include client references that may be contacted by District. A minimum of five client references is required.

- D. Schedule: Assurance of the firm's ability to complete all work, considering the firm's current and planned workload based on the proposed schedule. Completion of the project on schedule is critical to the success of this particular project. **Consultant shall submit an expanded WBS schedule to show tasks, milestones, and deliverables as part of proposal.**

- E. Budget: Estimated level of effort (i.e. hours) that each project team member will contribute for the individual tasks depicted in the scope of work. The hours shall be presented in a tabular format within the proposal and should include hours for all sub-consultants. The budget for this project shall be based on Consultant's current hourly billing rates and shall include all labor, sub-consultants, and other direct costs for all work items. The fee estimate shall be included in a separate envelope. Include your **billing rates schedule(s), current and proposed, for the duration of the project.**

- F. Conflict of Interest: Documentation that personal or organizational conflicts of interest prohibited by law do not exist.

- F. Insurance: Submittal from either the firm's insurance carrier or equivalent regarding the firm's professional liability coverage. District requires professional liability coverage to be a minimum of \$1,000,000, general liability and property damage to be a minimum of \$1,000,000. Any additional premium required by the insurance carrier for such coverage shall be included in your proposed fee. District will not pay a separate insurance surcharge for the required coverage.

Insurance coverages shall be afforded by companies who are California licensed and California Admitted carriers. Insurance carriers shall also meet or exceed requirements for financial performance and security by having a Best's Key Guide rating of "A" or better; additionally, carriers shall have an assigned Financial Size Category of "VIII" or higher. Under certain circumstances, "non-admitted" or "surplus lines carriers" will be accepted provided that they have a Best's Key Guide rating of "A+" or better; with a Financial Size Category of "XII" or higher. All Insurers must have an agent for service of process in California.

- H. Contract: A sample copy of the District's professional services agreement is attached as Exhibit A to this Request for Proposal. Please only respond to this request for proposals if you are able to execute this contract. The District will not make changes to the contract.

5. EVALUATION PROCESS AND SELECTION CRITERIA

Evaluation of the proposals will be based upon a competitive selection process. It will consider all elements of the proposal and will not be limited to price alone. District staff will review all statements of proposals received by the stated deadline. Some of the criteria to be evaluated will include the following:

- A. Experience and performance under similar contracts or scope of work, including a summary of the Project team's qualifications.
- B. Experience and performance working together with proposed team members and sub-consultants.
- C. Ability to understand and perform the project tasks efficiently and in accordance with the requirements of District.
- D. Level of effort to perform the required services as stated in the Scope of Work.
- E. Proposed schedule and ability to meet deadlines.
- F. References.

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Consultant must satisfy the District of its ability to perform the services required. Consultant must demonstrate and document a history of timely and satisfactory performance of similar projects in a manner that addresses the stated evaluation criteria. Consultant shall be responsible for the accuracy of the information supplied concerning references. In addition, the District may consider evidence of untimely and unsatisfactory performance on prior similar projects or litigation by the Consultant on previous projects to disqualify any Consultant. The District reserves the right to reject any and all proposals.

6. METHOD OF COMPENSATION FOR CONSULTING SERVICES

All invoices shall be addressed to the attention of the District Project Manager for this project and must be received by this office no later than the fifth day of every month. The purchase order number (to be provided by the District Project Manager) must be listed on all invoices. The following information needs to be shown on all invoices:

- A. Original total contract amount
- B. Change to contract amount (if any)
- C. Revised total contract amount (if any)
- D. Previous invoiced amount
- E. Current invoice amount
- F. Total invoiced amount
- G. Contract amount remaining
- H. PO Number
- I. Attn: District Project Manager
- J. Contract Number

Bills without this information or showing a total invoiced amount exceeding the contract amount may be returned unpaid. Any increase in the approved contract amount due to a change in project scope must have prior written approval from the District.

7. SERVICES OR ITEMS TO BE PROVIDED BY DISTRICT

- A. District staff will be available to answer Engineer's questions during all phases of the project and coordinate between agencies' staff.
- B. District will make all available record drawings, reports, and related materials available to the Engineer.
- C. District will make the following templates of the Project Manual available in MS Word format:

- a. Bid Documents
 - Instructions to Bidders
 - Notice Inviting Sealed Proposal (Bids)
 - Bid Form
 - Bid Bond
- b. Contract Related Documents
 - Agreement
 - Performance Bond
 - Payment Bond
 - Contractor's Certificate Regarding Worker's Compensation
- c. General Provisions (not to be modified)
- d. Draft Special Provisions (to be modified to meet project requirements)
- e. Select Technical Specifications (to be modified to meet project requirements)

8. GENERAL

District may conduct interviews with the firm's proposed key personnel and may contact recent clients. Selection of the Consultant will generally be based on the proposal contents, prior experience of the firm, and specific experience and capabilities of the designated project manager and other key personnel. The firm, and in particular the project manager, must be fully capable in all areas outlined under the scope of work above. Based upon this information, District staff will make a recommendation of a firm to the District Board of Directors for award of contract. The selected firm must be able to begin work immediately upon award of contract and must be able to maintain the required level of effort to meet the proposed schedule.

This request does not commit District to retain any Consultants, to pay costs incurred in the preparation of proposals, or to proceed with the project. District reserves the right to reject any or all proposals, to negotiate with any qualified applicant, and to appoint more than one firm to provide services on given portions of the project.

Proposals (including accompanying materials) will become the property of District. Proposals will be held in confidence to the extent permitted by law. After award of a contract or after rejection of all proposals, the proposals will be public records subject to disclosure under the California Public Records Act (Government Code Section 6250 et seq.).

District reserves the right to request additional information from prospective Consultants prior to final selection and to consider information about a firm other than that submitted in the proposal or interview. District may select for contract negotiations the firm that, in District's judgment, will best meet the project's needs, regardless of the comparison of fees and costs estimated by the Consultants.

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Proposals will be accepted until 2:00 P.M. on July 19, 2016, at the Moulton Niguel Water District, 26161 Gordon Road, Laguna Hills, CA 92653. Three (3) copies of your technical proposal and fee proposal are requested, in addition to a searchable PDF copy. Fee proposal shall be separated from technical proposal in separate sealed envelope.

If you have any questions regarding the Request for Proposal, please submit written questions to Todd Dmytryshyn, District Project Manager, at tdmytryshyn@mnwd.com by July 8, 2016. All questions will be responded to by email to all recipients of this Request for Proposal.

Sincerely,

MOULTON NIGUEL WATER DISTRICT



Todd Dmytryshyn
Senior Engineer

**EXHIBIT B
SUBCONSULTANTS**

Geotechnical

Associated Soils Engineering
2860 Walnut Ave
Signal Hill, CA 90755

Topographic Survey

The Prizm Group
310 N Cota St.
Corona, CA 92880

Potholing

SAF-r-DIG Utilities Surveys, Inc.
12210 Michigan St # 24
Grand Terrace, CA 92313

#5.

**EXHIBIT C
FEES, RATES AND COSTS**



July 19, 2016

Mr. Todd Dmytryshyn, PE, Senior Engineer
Moulton Niguel Water District
26161 Gordon Road
Laguna Hills, CA 92653

Subject: Proposal for Engineering Consulting Services
2016-17 Reservoir Management Systems Replacement (Project No. 2015.013)

Dear Mr. Dmytryshyn:

LEE & RO is pleased to submit our engineering fee proposal for the subject engineering services. We are requesting a not to exceed fee of \$199,663, of which \$29,875 are subconsultant costs. The scope of work tasks and associated labor hours and fees are broken down and presented in tabular format as **Exhibit 1**.

Based on the District anticipated Board Award and Notice to Proceed date of August 18, 2016, LEE & RO will complete the design and submit Final Contract Documents by or before June 29, 2017. We have the staff availability to begin work immediately upon award of contract and we fully understand that completion of the project on schedule is critical to the District's view regarding the success of this project.

Our current labor billing rate schedule and other direct costs billing rate schedule are included herein as **Exhibit 2** and **Exhibit 3**, respectively. These billing rate schedules are valid through October 31, 2016, the end of our fiscal year. Labor billing rates are anticipated to increase by 3% on November 1, 2016 and by another 3% on November 1, 2017.

As always, we look forward to working with you. If you have any questions, please do not hesitate to call.

Very truly yours,

LEE & RO, Inc.

Dhiru Patel, PE
President

Encl: Exhibit 1 – Fee Proposal; Exhibit 2 – Hourly Billing Rate Schedule FY 2015-2016; Exhibit 3 – ODC Billing Rate Schedule

CC: Dhiru Patel and M. Steve Ro, L&R

**Exhibit 1: Fee Proposal
Moulton Niguel Water District - 2016-17 Reservoir Management Systems Replacement**

Labor Category: E8 Managing Engineer; E7 Supervising Engineer; E6 Principal Engineer; E5 Senior Engineer; E4 Engineer; E3 Associate Engineer; T5 Senior Designer; T4 Designer; T3 Associate Designer; A3 Word Processor	E8	E7	E6	E5	E4	E3	T5	T4	T3	A3	Total Hours	Total Labor	Other Direct Costs	Sub-Consultant Fees	TOTAL
Project Tasks	\$223	\$199	\$178	\$161	\$146	\$131	\$131	\$116	\$101	\$87					
Task 1: Project Management, Contract Administration & QA/QC															
Task 1.1 Project Management and Contract Administration (10 Months to Final Docs)			40							16	56	\$8,512			\$8,512
Task 1.2 Meetings (KO Mtg, 3 Review Mtgs)			16							4	20	\$3,196	\$200		\$3,396
Task 1.3 Orange County Fire Authority Coordination Meeting			4								4	\$712	\$50		\$762
Task 1.3 Quality Assurance/Quality Control	16		24								40	\$7,840	\$100		\$7,940
Subtotal Task 1, Project Management & QA/QC	16	0	84	0	0	0	0	0	0	20	120	\$20,260	\$350	\$0	\$20,610
Task 2: Records Search and and Records Review															
Task 2.1 Thoroughly Review Existing Reference Documentation and Records		4	8		4						16	\$2,804			\$2,804
Subtotal Task 2, Records Search and Records Review	0	4	8	0	4	0	0	0	0	0	16	\$2,804	\$0	\$0	\$2,804
Task 3: Utility Research															
Task 3.1 Perform Comprehensive Utility Research			4		6	8		4	4		26	\$3,504	\$50		\$3,554
Subtotal Task 3, Utility Research	0	0	4	0	6	8	0	4	4	0	26	\$3,504	\$50	\$0	\$3,554
Task 4: Survey															
Task 4.1 Perform Surveys at Each Site						4		12			16	\$1,916		\$14,050	\$15,966
Subtotal Task 4, Survey	0	0	0	0	0	4	0	12	0	0	16	\$1,916	\$0	\$14,050	\$15,966
Task 5: Potholing															
Task 5.1 Perform Potholing at Each Site and Prepare Potholing Report (up to 8 potholes)			2		4	4		4	4		18	\$2,332		\$6,300	\$8,632
Subtotal Task 5, Potholing	0	0	2	0	4	4	0	4	4	0	18	\$2,332	\$0	\$6,300	\$8,632
Task 6: Geotechnical Exploration															
Task 6.1 Soils Borings and Preparation of Geotechnical Investigation Reports				6							6	\$966		\$9,525	\$10,491
Subtotal Task 6, Geotechnical Exploration	0	0	0	6	0	0	0	0	0	0	6	\$966	\$0	\$9,525	\$10,491
Task 7: Preliminary Design															
Task 7.1 Prepare Draft Preliminary Design Technical Memorandum (PDTM)		4	44	10	12	18	8	18	20	4	138	\$19,852	\$50		\$19,902
Task 7.2 Prepare Final PDTM		6	12	6		30		14	10	4	82	\$11,208	\$50		\$11,258
Subtotal Task 7, Preliminary Design	0	10	56	16	12	48	8	32	30	8	220	\$31,060	\$100	\$0	\$31,160
Task 8: Preparation of Contract Documents															
Task 8.1 75% Design Submittal		8	16	22	18	20	38	60	80	12	274	\$34,292	\$50		\$34,342
Task 8.2 100% Design Submittal		4	14	16	12	18	20	40	60	12	196	\$24,338	\$50		\$24,388
Task 8.3 Final Contract Documents			4						8	10	22	\$2,390	\$200		\$2,590
Subtotal Task 3, Preparation of Contract Documents	0	12	34	38	30	38	58	100	148	34	492	\$61,020	\$300	\$0	\$61,320
Task 9: Engineer's Estimate of Probable Construction Costs															
Task 9.1 Prepare 75% and 100% Estimates		2	4		12	16					34	\$4,958			\$4,958
Subtotal Task 9, Estimate of Probable Construction Costs	0	2	4	0	12	16	0	0	0	0	34	\$4,958	\$0	\$0	\$4,958
Task 10: Permit Acquisition Support															
Task 10.1 Prepare Permit Applications and Plan Check Packages			2	2	4	4			4		16	\$2,190	\$50		\$2,240
Subtotal Task 9, Estimate of Probable Construction Costs	0	0	2	2	4	4	0	0	4	0	16	\$2,190	\$50	\$0	\$2,240
Task 11: Bid Phase Support Services															
Task 11.1 Conduct Pre-Bid Meeting			2							2	4	\$530	\$50		\$580
Task 11.2 Prepare Addenda for Design Related Issues (Assume up to 2 Addenda)			8	16		8		12		8	52	\$7,136	\$50		\$7,186
Subtotal Task 11, Bid Phase Support Services	0	0	10	16	0	0	0	12	0	10	56	\$7,666	\$100	\$0	\$7,766
Task 12: Construction Phase Engineering Services															
Task 12.1 Attend Pre-Construction Meeting			4							2	6	\$886	\$50		\$936
Task 12.2 Respond to Contractor's RFIs (10 RFIs @ 2.5 hrs per RFI plus clerical)			4	2	8	8			4	4	30	\$4,002			\$4,002
Task 12.3 Review and Respond to Contractor's Shop Drawing Submittals (20 submittals @ 2 hrs per review and 20 resubmittals @ 1 hr per review plus clerical)		16	24	36	24	10				24	134	\$20,154	\$100		\$20,254
Task 12.4 Site Visits (4 Site Visits at 2 hrs per Visit)		2	12	4							18	\$3,178	\$200		\$3,378
Task 12.5 Prepare As-Built Record Drawings from Contractor's Redline Markups					4				8		12	\$1,392	\$200		\$1,592
Subtotal Task 5, Construction Phase Engineering Services	0	18	44	42	36	18	0	0	12	30	200	\$29,612	\$550	\$0	\$30,162
TOTAL NOT-TO-EXCEED	16	46	248	120	108	140	66	164	202	102	1,220	\$168,288	\$1,500	\$29,875	\$199,663

EXHIBIT 2

LEE & RO, Inc.
FY 2015-2016 HOURLY BILLING RATE SCHEDULE
 (Effective From November 1, 2015 to October 31, 2016)

PERSONNEL CLASSIFICATION			BILLING RATES (\$/HOUR)
ENGINEERS			
Engineer 8	E8	Managing Engineer	223
Engineer 7	E7	Supervising Engineer	199
Engineer 6	E6	Principal Engineer	178
Engineer 5	E5	Senior Engineer	161
Engineer 4	E4	Engineer	146
Engineer 3	E3	Associate Engineer	131
Engineer 2	E2	Assistant Engineer	116
Engineer 1	E1	Junior Engineer	101
CAD / DESIGNERS			
Technician 7	T7	Supervising Designer	161
Technician 6	T6	Principal Designer	146
Technician 5	T5	Senior Designer	131
Technician 4	T4	Designer	116
Technician 3	T3	Associate Designer	101
Technician 2	T2	Draftsperson	87
Technician 1	T1	Junior Draftsperson	75
FIELD PROFESSIONALS / CONSTRUCTION INSPECTORS			
Field Professional 6	F6	Construction Manager	178
Field Professional 5	F5	Senior Resident Engineer	161
Field Professional 4	F4	Resident Engineer	146
Field Professional 3	F3	Senior Inspector	131
Field Professional 2	F2	Inspector	116
Field Professional 1	F1	Assistant Inspector	101
ADMINISTRATIVE			
Administrative 4	A4	Administrative Professional	101
Administrative 3	A3	Word Processor II	87
Administrative 2	A2	Word Processor I	75
Administrative 1	A1	Clerical/Office Aide	64

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EXHIBIT 3

LEE & RO, Inc.

Other Direct Costs (ODC) Billing Rate Schedule

FY 2016 (from November 1, 2015 to October 31, 2016)

Automobile Mileage	IRS Published Rate
In-house Reproduction	\$0.07 / sheet (8.5 x 11 Bond B & W) \$0.20 / sheet (8.5 x 11 Bond Color) \$0.15 / sheet (11 x 17 Bond B & W) \$0.40 / sheet (11 x 17 Color) \$1.15 / sheet (24 x 36 Bond)
Mylar Original	\$7.00 / sheet (24 x 36 or 22 x 34)
Work Stations and Computers	No Charge
Subconsultant Mark-up	Subconsultant invoice amount plus 5% mark-up, unless Client specifies otherwise
Reproduction by Outside Printing Firm	Invoice amount plus 5% Handling Charge unless Client specifies otherwise
Other Direct Costs & Expenses (Overnight Mailing, Equipment Rental, Project-specific Engineering Software, etc.)	At Cost



moulton niguel water district

STAFF REPORT

TO: Board of Directors **MEETING DATE:** August 17, 2016

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

SUBJECT: Valve Crew – Capital Equipment Purchases

DIVISION: District-wide

SUMMARY:

Issue: Purchase of a new 2017 Hydro-Excavator, 2016 Caterpillar Backhoe Loader, and 2017 Dump Truck

Recommendation: It is recommended that the Board of Directors approve the purchases of a new 2017 Hydro-Excavator from Haaker Equipment Company for \$429,750.70 based on NJPA pricing, purchase of a new 2016 Caterpillar 420F Backhoe Loader for \$132,741.84 based on NJPA pricing and a 2017 Peterbilt dump truck for \$153,744.02 that went out for competitive bid.

Fiscal Impact: The Fiscal Year 2016-2017 Budget includes \$425,000 for the purchase of a Hydro Excavator, \$125,000 for the purchase of a new Backhoe Loader and \$200,000 for the purchase of a new Dump Truck. The combined cost of all three recommended vehicles is below the budget sum for the Fiscal Year items.

BACKGROUND:

The Fiscal year 2016-2017 Budget that was adopted in June 2016 includes budgeted funds for additional staff and equipment to form a dedicated field crew for the District's valve maintenance and replacement program. The District has over 20,000 valves with a majority of those valves being over 25 years old. The valve program crew will be primarily dedicated to the following functions:

- Isolation testing of valves
- Valve exercising
- Valve replacement

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Valve Crew – Capital Equipment Purchases

August 17, 2016

Page 2 of 2

- New valve installation
- Valve Replacement Program Capital Improvement Program support

The execution of these activities will improve the performance and longevity of the District's valves. The benefits of improved valve performance include reduced water loss, improved system reliability and customer service.

The valve program crew will require additional equipment to efficiently perform all necessary functions. The primary major fleet equipment include the following:

- Hydro-Excavator
- Backhoe Loader
- Dump Truck

DISCUSSION:

The Hydro-Excavator and Backhoe Loader will be purchased under a National Joint Powers Alliance (NJPA) agreement. NJPA is a public agency that performs comparative price analysis and enters into cooperative purchasing contracts for the benefit of its members. NJPA contracts are competitively solicited nationally, reviewed, evaluated by committee, and recommended to the NJPA Board of Directors for award. Staff evaluated the Hydro-Excavator and Backhoe Loader models available on the market and found that the Haaker and Caterpillar models recommended to the Board best meet the requirements and specifications required by MNWD.

The Dump Truck vehicle went through the District's competitive bidding process. A Request-for-Quotation was issued to three (3) reputable dump truck dealers. Quotations from the dealers are summarized below:

DEALER (Dump Truck)	MAKE	QUOTE
Rush Truck Center	Peterbilt	\$153,744
Inland Kenworth	Kenworth	\$162,691
TEC of California	Mack	\$182,439

Each representative equipment quote met the District specifications. Staff is recommending the purchase of the Peterbilt Dump Truck fleet vehicle from Rush Truck Center for the amount of \$153,744.



moulton niguel water district

STAFF REPORT

TO: Board of Directors **MEETING DATE:** August 17, 2016

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

SUBJECT: Insertion Valve Equipment Purchases for Fiscal Year 2016-17

DIVISION: District-wide

SUMMARY:

Issue: Purchase of new Hydra-Stop Insertion Valve Equipment.

Recommendation: It is recommended that the Board of Directors authorize the purchase of new Hydra-Stop Insertion valve equipment for an amount not-to-exceed \$186,592 for Fiscal Year 2016-17.

Fiscal Impact: The Fiscal Year 2016-2017 Budget includes \$186,592 for the purchase of new Hydra-Stop Insertion Valve Equipment.

BACKGROUND:

Many of the District's valves are more than 25 years old and require replacement to ensure that they will operate as needed. Each year, District staff replaces key valves that have been prioritized as part of the system-wide valve replacement program. In order to replace these valves, it is often necessary to secure the services of specialty contractors to install insertion valves to assist with system isolation. Insertion valves are unique in that they can be installed on pipelines that are pressurized. Insertion valves are also utilized when responding to emergency line breaks.

The cost for specialty contractors to install a single insertion valve will typically exceed \$20,000. Considering cost, timing, and the increased number of insertion valves that are needed each year, staff concluded it would be more efficient and economical to provide District crews with the equipment and training necessary to perform insertion valve installations.

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Insertion Valve Equipment Purchases for Fiscal Year 2016-17

August 17, 2016

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DISCUSSION:

Requirements and specifications for the new insertion valve equipment were developed by District staff to meet anticipated needs. A request for quotation was issued to three (3) manufacturers of insertion valves. Quotations from the manufacturers are summarized below:

ITEM	HYDRA-STOP	AVT	TEAM
Installation Equipment	\$77,330	\$174,378	\$54,378
8-inch Insertion Valve	\$3,398	\$3,055	\$4,400
16-inch Insertion Valve	\$14,350	\$14,995	Not available
Training	Included	Included	\$8,000
Freight	Included	Not included	Not included

Based on assessment of various factors, including upfront equipment pricing, installation efficiency, and valve unit pricing, Hydra-Stop provides the best overall value option to the District. Additional noted advantages of the Hydra-Stop insertion valves include:

- Ease and speed of installation
- Smaller work area required for installation
- Standard stainless steel materials
- Ability to replace valve cartridge without system isolation
- Ability to install on a variety of host pipe materials
- Standard AWWA thread count
- Third-party specialty contractor references

Staff is recommending the purchase of new Hydra-Stop Insertion Valve Equipment, including installation equipment and approximately twenty (20) insertion valves ranging in size from 6-inch diameter to 16-inch diameter. The FY 2016-17 Budget for this Capital Outlay item is \$186,592.



moulton niguel water district

STAFF REPORT

TO: Board of Directors **MEETING DATE:** August 17, 2016

FROM: Matt Collings, Assistant General Manager
Megan Geer, Contracts and Procurement Manager

SUBJECT: Fuel Agreement Extension for Fiscal Year 2016-17

DIVISION: District-Wide

SUMMARY:

Issue: Board approval is required to authorize an extension to the Bulk Fuel Delivery Service Agreement (“Agreement”).

Recommendation: It is recommended that the Board of Directors authorize the General Manager to execute Amendment No. 1 to the Agreement with Nickey Petroleum Co. Inc., for an amount not-to-exceed \$280,000 for Fiscal Year 2016-17.

Fiscal Impact: Sufficient funds are budgeted in the 2016-17 Fiscal year Budget.

BACKGROUND:

The fuel pumping station located at the District’s Plant 2A consists of a 10,000 gallon double compartment, underground storage tank divided into an 8,000-gallon unleaded fuel compartment and a 2,000-gallon diesel fuel compartment. The fuel pumping station enables staff to fill the District’s fleet vehicles, including both standard vehicles and heavy construction equipment. The on-site fuel is also used to supply fuel to the District’s emergency back-up generators for wastewater and potable water pump stations.

DISCUSSION:

In August of 2014, following an RFP issued by staff, the Board awarded the Bulk Fuel Delivery Service Agreement to Nickey Petroleum Co., Inc. The Agreement allows for an option to renew for an additional term at the same cost-plus rate pricing as the

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Fuel Agreement Extension for Fiscal Year 2016-17

August 17, 2016

Page 2 of 2

initial term of the Agreement. Fuel pricing for this Agreement is based on a cost-plus model using the current Oil Price Information Service (OPIS) daily average rack pricing as the base price. Pricing consists of the OPIS daily average cost per gallon, plus a margin of \$0.099 per gallon. Additional fees, such as delivery charges and surcharges are included in this margin.

Based on a successful engagement for the past two years, Staff recommends the Board authorize the General Manager to execute an Amendment with Nickey Petroleum Co., Inc., to extend the Bulk Fuel Delivery Service Agreement, in the amount of \$280,000, through Fiscal Year 2016-17.

Attachments: 1. Amendment No. 1 to the Bulk Fuel Delivery Service Agreement
2. Bulk Fuel Delivery Service Agreement

**AMENDMENT NO. 1 TO THE BULK FUEL DELIVERY SERVICE AGREEMENT
BETWEEN MOULTON NIGUEL WATER DISTRICT AND
NICKEY PETROLEUM CO., INC.; CONTRACT NO. OM14-15.001**

This Amendment No. 1 (this "Amendment") is entered into and effective as of _____, 2016, amending the Bulk Fuel Delivery Service Agreement, dated September 11, 2014 (the "Agreement"), by and between the Moulton Niguel Water District ("MNWD"), and Nickey Petroleum Co., Inc. ("Contractor") (collectively, the "Parties").

RECITALS

A. WHEREAS, On September 11, 2014, the Parties executed the Agreement through September 11, 2016 for a not-to-exceed agreement total of \$680,000.

B. WHEREAS, the Parties desire to extend the Agreement for an additional term through June 30, 2017 at the same scope and pricing as the initial 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 June 30, 2017.

2. All payments for services associated with this Amendment shall not exceed the amount of **Two Hundred Eighty Thousand Dollars (\$280,000)**.

3. The Parties agree that the total Agreement amount, including this Amendment and all prior amendments, shall not exceed Nine Hundred Fifty Thousand Dollars (\$960,000).

4. All other provisions of the Agreement, as may have been amended from time to time, 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.

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

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

NICKEY PETROLEUM CO., INC.

MOULTON NIGUEL WATER DISTRICT, a California Water District

By:

By:

(Signature)

General Manager

(Name/Title)

Date: _____

(Date)

BULK FUEL DELIVERY SERVICE AGREEMENT

THIS AGREEMENT is made and entered into on September 11, 2014 (the "Effective Date"), by and between the MOULTON NIGUEL WATER DISTRICT, hereinafter referred to as "MNWD", and NICKY PETROLEUM CO, INC., hereinafter referred to as "Contractor". MNWD and Contractor are sometimes hereinafter individually referred to as "Party" and hereinafter collectively referred to as the "Parties".

RECITALS

- A. MNWD has determined there is a need for bulk fuel and motor oil delivery services.
- B. MNWD desires to utilize the services of Contractor to provide bulk fuel and motor oil delivery services, as described in Exhibit "A" attached hereto (hereinafter, the "Services").
- C. Contractor is qualified to accomplish the necessary Services and has agreed to provide such Services to MNWD.

NOW, THEREFORE, in consideration of the promises and mutual benefits, which will result to the Parties in carrying out the terms of this Agreement, it is mutually agreed as follows:

AGREEMENT

1. Scope of Agreement.

MNWD agrees to retain Contractor, and Contractor agrees to provide all Services as described in "Exhibit A" attached hereto and incorporated herein by reference. Contractor agrees that its provision of Services under this Agreement shall be within accepted standards for such services.

2. Term.

This Agreement shall continue in effect for two (2) years commencing on the Effective Date, unless otherwise terminated by either party pursuant to Section 6 herein. This Agreement may be extended, at MNWD's option, for one additional 12-month term, at the prices in the Fee Schedule listed in "Exhibit" B. Subject to MNWD's sole discretion, an extension will be based upon a satisfactory review of Contractor's performance, MNWD's needs, and appropriation of funds by the MNWD Board of Directors. The parties will prepare a written amendment indicating the effective date and length of the extended Agreement.

3. Time for Completion.

The time for completion of the Services to be performed by Contractor is an essential condition of this Agreement. Contractor shall prosecute regularly and diligently the work of this Agreement according to reasonable schedules established by MNWD. Contractor shall not be accountable for delays in the progress of its work caused by any condition beyond its control and without the fault or negligence of Contractor.

4. Compensation.

MNWD shall pay Contractor total compensation for Services in accordance with the pricing listed in "Exhibit B" attached hereto and by reference made a part of this Agreement. The total compensation paid for services pursuant to the Agreement shall not exceed Three Hundred Forty Thousand (\$340,000) per year; up to a maximum Agreement amount of **Six Hundred Eighty Thousand Dollars (\$680,000)**.

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Contractor shall submit detailed invoices, based upon services provided, accompanied by backup documentation as requested by MNWD. Contractor shall provide MNWD with a monthly itemization of all work performed, and the fees accrued thereon, in complete and sufficient detail to fully apprise MNWD thereof.

5. Non-Exclusive Agreement.

This is a non-exclusive Agreement. Contractor acknowledges and agrees that MNWD does not guarantee any minimum or maximum amount of Services and MNWD may use other Contractors for the Services in its sole discretion.

6. Termination.

Either party may terminate this Agreement in whole or in part at any time, without cause, upon giving the other party ten (10) days' written notice. In the event of such termination, Contractor shall be entitled to compensation for work performed through and including the effective date of termination.

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 work or services hereunder, unless otherwise instructed by MNWD in such notice.

Contractor shall not perform further work under this Agreement after the effective date of suspension until receipt of written notice from MNWD to resume performance. MNWD and 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 4 of this Agreement.

7. Relationship Between the Parties.

A. The relationship between the Parties hereto is that of an independent contractor, and nothing herein shall be deemed to make Contractor a MNWD employee. During the performance of this Agreement, Contractor and its officers, employees, agents, and subcontractors shall act in an independent capacity and shall not act as MNWD officers, employees, or agents. The personnel performing the Services under this Agreement on behalf of Contractor shall at all times be under Contractor's exclusive direction and control. Neither MNWD nor any of its officers, employees, agents, or subcontractors shall have control over the conduct of Contractor or any of its officers, employees, or agents, except as set forth in this Agreement. Contractor, its officers, employees, agents, or subcontractors shall not maintain an office or any other type of fixed business location at MNWD's offices.

B. Contractor shall not incur or have the power to incur any debt, obligation, or liability against MNWD, or bind MNWD in any manner.

C. No MNWD benefits shall be available to Contractor, its officers, employees, agents, or subcontractors in connection with any performance under this Agreement. Except for fees paid to Contractor as provided for in this Agreement, MNWD shall not pay salaries, wages, or other compensation to Contractor for the performance of Services under this Agreement. MNWD shall not be liable for compensation or indemnification to Contractor, its officers, employees, agents, or subcontractors for injury or sickness arising out of performing Services hereunder.

8. 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 MNWD as listed in this Section 8. Contractor shall not commence services under the Agreement until it has obtained all insurance required by the Agreement. Executed certificates of insurance and all required endorsements evidencing the required coverage detailed in this Section 8 shall be provided by Contractor with the Contractor's executed copy of this Agreement, and prior to commencement of any services.

1. General Liability / Automobile Liability Insurance. Contractor and each of its subcontractors shall maintain throughout the term of this Agreement a General Liability policy of insurance for bodily injury and/or death, personal injury and property damage claims which may arise from or in connection with the performance of the work under this Agreement by Contractor and its subcontractors, and each of their agents, representatives, or employees. Such public liability and property damage insurance (which shall cover claims, injury, death, loss or damage or accidents arising 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 with such aggregate to apply separately to the Project.

All insurance provided under this Section 8.A.1 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 a form acceptable to MNWD.

2. 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 work 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 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.
3. Requirements of All Policies. All policies of insurance required under this Section 8 shall be from insurance providers who are either admitted or licensed to do business in California, or are Surplus Lines Carriers authorized to do business in California, and who have financial size and ratings of no less than A-, Class VII, and in either case are otherwise acceptable to MNWD. All such policies shall include a provision and executed endorsement for thirty (30) days prior written notice by certified mail, return receipt requested, to MNWD of any cancellation or material alteration of such insurance. 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 work or professional services. The policies required hereunder shall be endorsed to include contractual liability.

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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 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.

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 8 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 MNWD, 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.

9. Indemnity.

To the fullest extent allowed by law, Contractor agrees to indemnify, defend and hold harmless MNWD, its Board Members, officers, officials, agents and employees, harmless against any and all liability, claims, judgments, costs, and demands, including demands arising from injuries or death of persons (Contractor's employees included) and damage to property, arising directly or indirectly out of the obligations herein undertaken or out of the operations conducted by Contractor, save and except claims or litigation arising through the sole negligence or sole willful misconduct of MNWD and will make good to and reimburse MNWD for any expenditures, including reasonable attorneys' fees, MNWD may incur by reason of such matters, and if requested by MNWD, will defend any such suits at the sole cost and expense of Contractor.

In the event Contractor or its insurer refuses or fails to provide a legal defense to MNWD after receiving written notice of the legal action and a tender and demand for defense, MNWD shall have the right to select counsel of its own choice to represent all MNWD's interests. Contractor agrees that the amount of legal costs and expenses including attorneys' fees may be withheld by MNWD from any Agreement amounts due and owing to Contractor until such time as a final determination is made as to the responsibility for payment of the fees and costs.

This indemnity obligation shall survive the expiration or termination of this Agreement and/or the performance or completion of the Services. 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 under this Agreement.

10. Compliance with Law.

Contractor certifies by the execution of this Agreement the following: that it pays employees not less than the minimum wage as defined by law and that it does not discriminate in its employment with regard to race, color, religion, sex, or national origin. Contractor shall comply with all applicable federal, state, and

local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any Services, including but not limited to the satisfaction of any positive obligations required of Contractor thereby.

11. Notices.

All notices or other communications required or permitted hereunder shall be in writing and shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested, delivered or sent by electronic transmission, and shall be deemed received upon the earlier of: (i) the date of delivery to the address of the person to receive such notice if delivered personally or by messenger or overnight courier; (ii) three (3) business days after the date of posting by the United States Post Office if by mail; or (iii) when sent if given by electronic transmission. Any notice, request, demand, direction, or other communication sent by electronic transmission must be confirmed within forty-eight (48) hours by letter mailed or delivered. Notices or other communications shall be addressed as follows:

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

To CONTRACTOR: Attn: John Kearns
 Nickey Petroleum Co., Inc.
 925 Lakeview Ave.
 Placentia, CA 92870

Either Party may, by written notice to the other, designate a different address, which shall be substituted for that specified above.

12. Licenses and Qualifications.

Contractor represents and warrants to MNWD that it has obtained all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession. Contractor represents and warrants to MNWD that Contractor shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any license, permit or approval which is legally required for Contractor to perform its professional duties under this Agreement.

13. Agreement Execution Authorization.

Each of the persons executing this Agreement represent and warrant that they are authorized to sign this Agreement on behalf of the entity for which he/she is signing and empowered to bind such entity.

14. Jurisdiction.

This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure 394. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the Parties hereto, and the rule of

#8.

construction to the effect that ambiguities are to be resolved against the drafting Party shall not be employed in interpreting this Agreement, all Parties having been represented by counsel in the negotiation and preparation hereof.

15. Attorneys' Fees.

If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which he may be entitled.

16. Waiver.

No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought. Any waiver by the Parties of any default or breach of any covenant, condition, and term contained in this Agreement, shall not be construed to be a waiver of any subsequent or other default or breach, nor shall failure by the Parties to require exact, full, and complete compliance with any of the covenants, conditions, or terms contained in this Agreement be construed as changing the terms of this Agreement in any manner or preventing the Parties from enforcing the full provisions hereof.

17. Modifications and Amendments to Agreement.

No modification or amendment of this Agreement or any of the provisions hereof shall be effective for any purpose unless set forth in writing signed by duly authorized representatives of both Parties.

18. Successors in Interest.

This Agreement shall be binding upon and inure to the benefit of the Parties' successors and assignees.

19. Assignments.

No assignment by Contractor of this Agreement or any part hereof, or of funds to be received hereunder, will be recognized by MNWD unless such assignment has had prior written approval and consent of MNWD, which consent will not be unreasonably withheld.

20. Entire Agreement.

This Agreement and its Exhibits constitutes the entire understanding and agreement of the Parties hereto and supersedes all previous negotiations, discussions, and agreements between the Parties with respect to the subject matter hereof. No parol evidence shall be permitted to contradict or vary the terms of this Agreement.

21. Severability.

Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be invalid under the applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of that provision, or the remaining provisions of this Agreement.

22. Recitals.


The Recitals above are hereby incorporated into this section as though fully set forth herein and each Party acknowledges and agrees that such Party is bound, for purposes of this Agreement, by the same.

23. Conflicts.

To the extent that there is any conflict between the provisions of this Agreement and any other agreement or document between the parties regarding the subject matter of this Agreement, the terms and conditions of this Agreement shall govern.

IN WITNESS WHEREOF, this Agreement has been executed in the name of MNWD, by its officers thereunto duly authorized, and Contractor as of the Effective Date of the Agreement as defined herein.

Moulton Niguel Water District

By: 
Joone Lopez
General Manager

Contractor: Nickey Petroleum Co., Inc.


By: 
Title: VP/GM

EXHIBIT A

SCOPE OF WORK AND SPECIFICATIONS

Contractor shall provide MNWD with fuel delivery services subject to the following terms and specifications:

1.0 Contractor Responsibilities

Contractor shall possess and maintain all Federal, State and Local permits, licenses and approvals necessary to provide goods / services as required in the Scope of Work, for the duration of the contract. Any associated fees shall be the responsibility of the Contractor.

Contractor shall ensure that all delivery vehicles are in compliance with all current Federal, State and Local registration, licensing, insurance and maintenance requirements as mandated by the Department of Transportation (DOT), Federal Motor Carrier Safety Administration (FMCSA), Department of Toxic Substances (DTSC), California Air Resources Board (ARB), and California Highway Patrol (CHP), relating to the commercial transportation and delivery of bulk fuels and automotive lubricants in the State of California, for the duration of the contract.

Contractor shall ensure that each of its fuel and oil delivery drivers are in compliance with current Federal, State and Local licensing, registration, training, communication, packaging, emergency response and security requirements, as mandated by the Department of Transportation (DOT), Federal Motor Carrier Safety Administration (FMCSA), California Air Resources Board (CARB), California Department of Motor Vehicles (DMV) and California Highway Patrol (CHP).

All drivers / delivery personnel shall be HAZMAT trained and certified in safety measures to prevent accidents endangering MNWD personnel and property.

Contractor's drivers / delivery personnel shall perform all deliveries in a safe and professional manner, adhering to all applicable Federal, State, Local regulations.

Contractor shall ensure that the driver arrives at the fueling site with the proper equipment and the knowledge in the use of all equipment.

Contractor shall supply to MNWD legible copies of State and Federally-required licenses, certifications and registrations for the business, vehicles and personnel with the submission of their bid.

2.0 Orders, Deliveries and Invoices

Orders

Fuel orders shall be fulfilled by the Contractor as soon as possible, unless otherwise stated at the time of the order, but no more than 48 hours after the request has been made. Delineated fuel pricing shall be made available to the fuel coordinator within one twenty four (24) hour period of standard working hours of the actual delivery of fuel.

Deliveries

Fuel deliveries must be made between the hours of 8AM and 4PM, Monday through Friday, or as specified at the time of the order. Weekend or holiday deliveries are not to be made, unless specifically requested at the time of the order.

The Contractor's driver shall run a fuel tank read from MNWD's Veeder- Root monitor system, both prior and after fueling, to confirm delivery amounts and provide bill of lading documentation to MNWD's

responsible party (Purchasing or the Warehouse) of the delivery types and quantities. Bill of Lading should contain, at a minimum:

- Company Name & Address
- Sold-to Party (Moulton Niguel Water District) with delivery address
- Date of delivery
- Type and Gallon Quantity of Unleaded Gasoline delivered
- Type and Gallon Quantity of Diesel Fuel delivered
- Fuel truck driver's signature
- MNWD personnel's signature

Invoices

Contractor's fuel delivery invoice shall reference the Purchase Order, date of delivery, type of fuel, amount of delivered gallons, base fuel price per gallon (including margin), with all applicable taxes and surcharges itemized separately. The Contractor shall submit with each invoice, a copy of the OPIS price sheet for Orange, California, for the week of delivery.

MNWD motor oil tanks are filled twice each yearly. Driver should arrive equipped for filling indoor, above-ground oil tanks. After delivery, a bill of lading will be provided to MNWD's responsible party. Bill of lading should contain, at a minimum:

- Contractor's Name & Address
- Sold-to Party (Moulton Niguel Water District), with delivery address
- Date of delivery
- Type and Gallon Quantity of oil delivered
- Oil truck driver's signature
- MNWD personnel's signature

Contractor's oil delivery invoice shall reference the Purchase Order, date of delivery, type of oil, amount of delivered gallons, price per gallon, with all applicable taxes and surcharges itemized separately.

3.0. Emergencies

Contractor will provide MNWD with priority fuel delivery service in the event of a natural disaster or other emergency that may disrupt normal fueling operations, to the extent Contractor is able to deliver fuel. Furthermore, Contractor will work with MNWD to develop alternative interim fuel delivery solutions in an emergency situation, as needed. Contractor shall provide MNWD with a 24-hour contact number.

4.0 Fuel Usage and Storage

MNWD's annual fuel usage ranges from 70,000 to 90,000 combined gallons of unleaded and diesel. MNWD's fuel delivery site contains one 10,000 gallon, double wall, double compartment underground storage tank, divided into 8000-gallon unleaded and 2000-diesel compartments. MNWD's fuel tank is electronically monitored with a Veeder-Root TLS-300C.

5.0 Fuel Specifications

- a. Unleaded Gasoline provided shall have a minimum Octane rating of 89 as determined by using the standard R+M/2 method.
- b. Diesel fuel provided shall be Ultra Low Sulfur, #2, CARB-compliant.

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- c. All fuel provided to MNWD must be in compliance with the State of California Air Resources Board (ARB) specifications as stated under the latest version of the California Reformulated Gasoline Regulations (CaRFG3), sections 2250 – 2273.5, including all amendments.
- d. All fuel content testing must comply with the American Society for Testing and Materials methods (D86-99, D287-82, D323-58, D613-84, D3231-73, D3237-79, D4629-96, D4814, D4815-09, D5186-03, D5453-93, D5580-02, D6079-02 and D7754-11).
- e. Fuel provided to MNWD must meet the latest flat limits of the Reid Vapor Pressure (RVP) requirements as set forth by the California Air Resources Board (ARB) in the California Reformulated Gasoline (CaRFG3) regulations.
- f. Diesel fuel provided must meet the content standards as specified under the California Air Resources Board, "California Diesel Fuel Regulations" (Title 13, Cal Code of Regulations, Sec 2281-2285 & Title 17, Cal Code of Regulations, Sec 93114).
- g. Contractor shall provide, upon request, Material Safety Data Sheet (MSDS) at time of fuel delivery as required by law.
- h. Only products of new manufacture or distillation will be accepted. No refined or reclaimed products will be accepted. All fuel/gasoline shall have a minimum shelf life of one (1) year.
- i. All products furnished shall conform to all Federal, State, Local, American Society of Testing & Materials (ASTM), Department of Transportation (DOT) and Air Resources Board (ARB) regulations.

6.0 Motor Oil Usage and Storage

MNWD's annual automotive motor oil usage averages 700 combined gallons of two different weights/types of oil. The oil is stored in two 180 gallon tanks.

7.0 Motor Oil Specifications

- a. CJ-4, 15w/40 oil is used for MNWD's diesel vehicles. Oil provided shall meet 2007 and later California emissions standards and be formulated to be compatible with Diesel Particulate Filters (DPF).
- b. 10w/30 oil is used for MNWD's gasoline vehicles.
- c. Only high quality, branded oils will be accepted.
- d. Recycled oil is NOT acceptable.

8.0 Fuel and Oil Spills

The Contractor will be responsible for any spills on MNWD's premises, which occur from the company's fuel delivery vehicle or as a result of any of the driver's activities while in the process of filling MNWD's underground tank. The Contractor shall be financially and legally liable for the complete containment, remediation, and disposal of all hazardous waste spills that may occur during the Contractor's fueling operations. The Contractor must arrive at MNWD's fueling site equipped to handle the containment,

remediation, and proper clean-up of all spills up to 100 gallons. The Contractor shall immediately report any spillage to MNWD and clean up the spillage within one working day of the time of spillage, or other time period as specified by MNWD. In the event of a fuel spill, the Contractor is required to immediately notify Moulton Niguel Water District, cover all drains in the vicinity, prevent spill from entering storm drains, and attempt to contain the spill. MNWD will supervise any and all fuel spill remediation and disposal of hazardous waste. In the event of an emergency, the Contractor must have a 24-hour emergency contact number. Clean up shall be performed in accordance with EPA, DTSC and State of California guidelines and requirements. MNWD will charge the Contractor for all costs incurred during the clean-up process including: labor and administrative costs, hazardous waste material handling fees, disposal fees or other clean-up supplies, and any fines resulting from violations of state, federal, or local regulations.

9.0. Delivered Fuel Price

- a. The current Oil Price Information Service (OPIS) daily average rack pricing (Orange, California) shall be used as the base price.
- b. Contractor's price shall consist of the OPIS daily average cost per gallon, plus or minus a stated amount (margin). Additional fees, such as delivery charges and surcharges must be included into this margin. The Contractor's margin will be added to the most recent published rack average (Orange, CA) to establish the pre-tax delivered, complete cost per gallon of fuel. The quoted margin as entered on Attachment 3 shall remain firm for the term of the initial contract.
- c. Taxes are not to be included in the Contractor's margin, as entered on the Pricing Schedule.

10.0. Delivered Motor Oil Price

Contractor's motor oil price shall be enumerated as per gallon, minus any state-mandated fees (recycling, motor oil fee) or taxes.

11.0. Federal Excise Tax

"Federal law provides a fuel excise tax exemption for the sale of any liquid used as a fuel in a motor vehicle, motorboat, or aircraft for the exclusive use of any state, or any political subdivision of a governmental entity, or the District of Columbia. This fuel excise tax exemption does not include Leaking Underground Storage Tank (LUST) tax." (Internal Revenue Service)

The Moulton Niguel Water District qualifies for this Federal excise tax exemption.

12.0. Fuel Quality Control & Testing

MNWD reserves the right to conduct spot check testing for fuel product quality assurance. MNWD will arrange testing through an independent laboratory. Fuels supplies shall be free from contamination.

MNWD and/or its authorized representative(s) reserves the right to test fuel quality before, during, and after unloading. Should test results show that the fuel contains contaminants, the fuel will be rejected. The vendor shall be responsible for the removal of the fuel from MNWD property within three working days after requested to do so should test results show that the fuel contains any contaminants. The vendor shall also be responsible for all cleanup required to all MNWD property, storage facilities, and equipment as a result of noncompliance with specifications. Furthermore, the vendor shall be fully

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responsible for any and all costs incurred by MNWD for any equipment sustaining damage that is attributed to a contaminated fuel that the vendor has delivered.

Any aftermarket additive used shall be identified by brand and/or trade name. The manufacturer's additive specifications shall be provided to MNWD, upon request. Failure to provide the manufacturer's additive specifications within seven working days of MNWD request will be grounds for purchase order cancellation without further cause. An additive, if used, shall comply with Environmental Protection Agency (EPA) regulations, and shall be compatible with the refiner's product. Additives, which increase emissions of sulfur and other substances proven to damage the environment, which are disallowed by EPA regulations, will not be accepted.

EXHIBIT B

FEE SCHEDULE - FUEL

2014 – 2016 FEE SCHEDULE – FUEL			
Based on an order placed <u>24 hours</u> in advance of needed delivery for:			
2000 Gals Unleaded, 1100 Gals Diesel			
TYPE OF FUEL	MARGIN: CENTS PER GALLON OVER (+) OPIS	MARGIN: CENTS PER GALLON UNDER (-) OPIS	MARGIN TOTAL: <i>includes all additional fees, delivery & surcharges, minus taxes</i> CENTS PER GALLON
Unleaded, mid- grade 89 Octane	\$0.099	\$ N/A	\$0.099
Clear Diesel, CARB-Compliant #2 low sulfur	\$0.099	\$ N/A	\$0.099

2014 – 2016 FEE SCHEDULE – FUEL			
Based on an order placed <u>48 hours</u> in advance of needed delivery for:			
2000 Gals Unleaded, 1100 Gals Diesel			
TYPE OF FUEL	MARGIN: CENTS PER GALLON OVER (+) OPIS	MARGIN: CENTS PER GALLON UNDER (-) OPIS	MARGIN TOTAL: <i>includes all additional fees, delivery & surcharges, minus taxes</i> CENTS PER GALLON
Unleaded, mid- grade 89 Octane	\$ 0.099	\$ N/A	\$ 0.099
Clear Diesel, CARB-Compliant #2 low sulfur	\$ 0.099	\$ N/A	\$ 0.099

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FEE SCHEDULE – OIL

2014 – 2016 FEE SCHEDULE – MOTOR OIL		
TYPE OF OIL	PRICE PER GALLON 1 - 250 GAL	PRICE PER GALLON 251 – 500 GAL
CJ4 15w/40	\$11.35 ex. taxes	\$11.35 ex. taxes
10/30	\$8.20 ex. taxes	\$8.20 ex. taxes



moulton niguel water district

STAFF REPORT

TO: Board of Directors **MEETING DATE:** August 17, 2016

FROM: Marc Serna, Director of Engineering and Operations
Mark Mountford, Principal Engineer

SUBJECT: City of Laguna Niguel Crown Valley Community Park Tier II
Improvements – MNWD Pipeline Relocations

DIVISION: District-wide

SUMMARY:

Issue: Potable and recycled water facility relocations are proposed as part of the City of Laguna Niguel Crown Valley Community Park Tier II Improvements.

Recommendation: It is recommended that the Board of Directors authorize the General Manager to execute the Agreement with the City of Laguna Niguel for financial reimbursement of the facility relocations, subject to non-substantive changes made by legal counsel, and authorize the reimbursement for an amount not-to-exceed \$325,000.

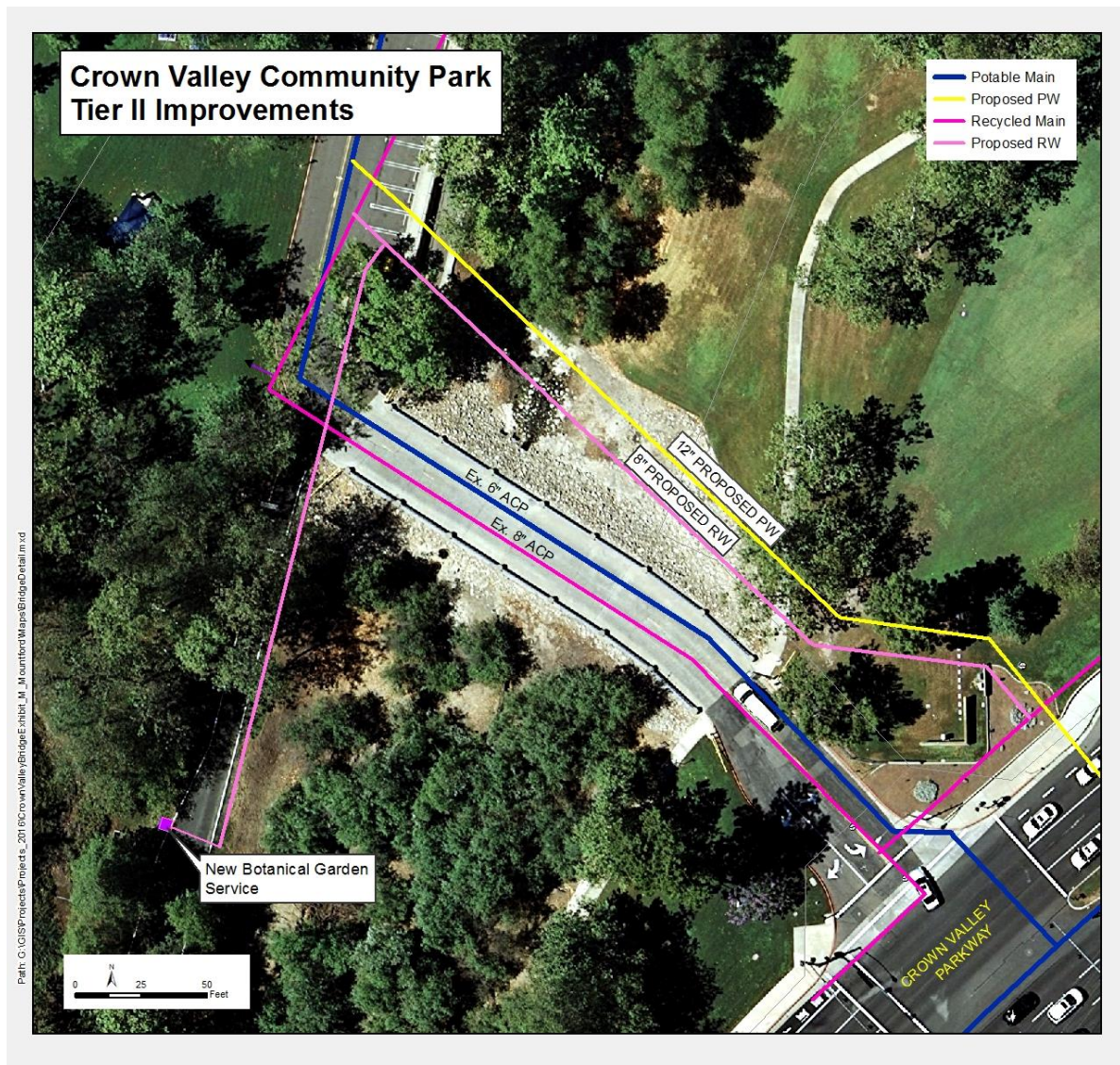
Fiscal Impact: Sufficient funds have been budgeted in the FY 2016-17 capital budget for the proposed Agreement.

BACKGROUND:

The City of Laguna Niguel has approved the Crown Valley Community Park Entry Improvements Project, which will improve the existing bridge at the park entrance with an arched culvert crossing. The new crossing is located in a different alignment than the existing bridge and requires the relocation of potable and recycled water mains in the existing crossing. The project also includes the establishment of a recycled water service and booster pump to convert the existing Niguel Botanical Preserve from potable to recycled water. Additionally, the City is proposing turf removal as part of the project.

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City of Laguna Niguel Crown Valley Community Park Tier II Improvements – MNWD Pipeline Relocations
August 17, 2016
Page 2 of 3



DISCUSSION:

The District frequently coordinates with our various City partners to incorporate the design and construction of District facilities, when necessary, into a City project. These required relocations will be constructed by Los Angeles Engineering, the City's contractor. The utility relocations will be inspected by MNWD inspectors and owned/maintained by MNWD once construction is completed.

During the course of Project design, staff worked closely with City staff and Hunsaker & Associates, the City's design engineer for the project, to determine new alignments, and to establish new recycled water service to the Niguel Botanical Preserve. The new recycled water service to the botanical garden requires a booster pump to provide adequate pressure for the irrigations system. Conversion to recycled water at this site will free up over 14 AFY of potable water.

City of Laguna Niguel Crown Valley Community Park Tier II Improvements – MNWD Pipeline Relocations
 August 17, 2016
 Page 3 of 3

The reimbursement agreement utilized was based upon the document used on previous Inter-Agency Reimbursement Agreements between the District and the City of Laguna Niguel, most recently utilized effectively on the City of Laguna Niguel Crown Valley Parkway Median Recycled Water project. Both District and City Legal Counsels have reviewed the Agreement, and the Laguna Niguel City Council agendized and approved the agreement at their August 2nd City Council meeting.

The project has been budgeted for in the FY2016-17 budget. The budget was based on engineers estimates prepared by Hunsaker & Associates and reviewed by District staff. Project bid amounts have come in substantially lower, as shown in the Table below. The Agreement includes provisions for change orders related to the District's infrastructure; the current budget amount will allow for a contingency of \$64,385, or approximately 20% of the budget amount.

SUMMARY OF PROJECT BUDGET:

Project Items	Project Budget	Project Bid Amounts
Potable Water Relocation	\$117,000	\$111,070
Recycled Water Relocation	\$208,000	\$149,545
Recycled Water Mainline		\$61,365
Recycled Water Service		\$28,180
Recycled Water Pump		\$60,000
Totals:	\$325,000	\$260,615

Attachment:

1. Reimbursement Agreement with Exhibits

**AGREEMENT BETWEEN CITY OF LAGUNA NIGUEL AND MOULTON NIGUEL
WATER DISTRICT FOR RECYCLED WATER IMPROVEMENTS AND
RELOCATION OF WET UTILITY LINES IN CONJUNCTION WITH
CONSTRUCTION OF ENTRY IMPROVEMENTS AT CROWN VALLEY PARK**

THIS AGREEMENT (“AGREEMENT”) is made and entered into and effective this 2nd day of August, 2016 (“Effective Date”), by and between the **CITY OF LAGUNA NIGUEL**, hereinafter referred to as “CITY” and **MOULTON NIGUEL WATER DISTRICT**, hereinafter referred to as “DISTRICT.” CITY and DISTRICT are sometimes referred to in this AGREEMENT individually as “Party,” or jointly as “Parties.”

RECITALS

A. CITY intends to construct a public improvement project commonly known as the “Crown Valley Park Entry Improvements”, including replacement of the dip crossing at the Crown Valley Park entry with an arched culvert structure, channel and parking lot improvements, and recycled water service for the Niguel Botanical Preserve area, collectively hereafter referred to as PROJECT.

B. CITY’s PROJECT will require the relocation of DISTRICT’s potable water and recycled water utility pipelines and appurtenances, and includes the installation of recycled water service, booster pumps and irrigation system retrofits for the Niguel Botanical Preserve area, as depicted in Exhibit A, and collectively hereafter referred to as “PIPELINE RELOCATION.”

C. CITY confirms that it previously completed CEQA proceedings for the PROJECT that encompass the PIPELINE RELOCATION.

D. DISTRICT desires to have the PIPELINE RELOCATION performed as part of CITY’s construction contract for the PROJECT.

E. CITY and DISTRICT have mutually determined the best course of action is to incorporate the PIPELINE RELOCATION within the PROJECT’s design and construction contracts issued by the CITY, and for CITY to be reimbursed by DISTRICT for the construction

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costs associated with the PIPELINE RELOCATION, in accordance with the terms set forth in this AGREEMENT.

F. CITY can apply for retrofit rebates through the DISTRICT for construction costs associated with retrofit costs downstream of the botanical garden service meter.

NOW THEREFORE, IT IS AGREED by and between the parties hereto as follows:

SECTION I

CITY, IN ADDITION TO ANY OBLIGATIONS, RESPONSIBILITIES, AND RIGHTS SET FORTH IN SECTION II AND III HEREOF, SHALL:

1. Direct CITY's Engineer to incorporate the design of the PIPELINE RELOCATION into the PROJECT plans and specifications. The PIPELINE RELOCATION design shall meet the requirements of the DISTRICT's standard specifications and shall be subject to review and approval by the DISTRICT.
2. Include individual bid items in PROJECT plans and specifications for the bidding documents and construction contract for the installation of the PIPELINE RELOCATION as depicted in Exhibit A, including but not limited to separate bid items for dedicated District facilities as between and including the connections to existing DISTRICT pipelines, relevant appurtenances, and appropriate testing as required under the approved PROJECT plans and specifications for the PIPELINE RELOCATION. Such bid items and terms shall be structured so as to prevent any allocation of PROJECT costs to the PIPELINE RELOCATION bid items that are not related to the work required for the PIPELINE RELOCATION. CITY shall provide to DISTRICT, prior to soliciting bids, the bid documents and construction contract for DISTRICT review and approval, which shall not be unreasonably withheld.
3. Solicit competitive bids for the PROJECT including PIPELINE RELOCATION and award a construction contract to the lowest responsive and responsible bidder, hereinafter referred to as "CONTRACTOR."

4. Prior to award of the contract for the PROJECT, provide a complete set of construction contract documents to DISTRICT which shall identify all sub-contractors, including those who will be suppliers, or accomplish work, with respect to the PIPELINE RELOCATION, as well as line item bid prices for all PROJECT work for the PIPELINE RELOCATION.
5. Award the construction contract to CONTRACTOR and oversee and administer the construction contract, including those elements of the PROJECT and the construction contract related to the PIPELINE RELOCATION work.
6. Provide shop drawing submittals associated with the PIPELINE RELOCATION for review and approval by DISTRICT. DISTRICT shall review and comment on all shop drawing submittals within ten (10) working days from the date received by DISTRICT.
7. Furnish a representative to perform the usual functions of a CITY inspector, hereinafter referred to as "INSPECTOR" who shall be responsible for monitoring and inspecting the CONTRACTOR's performance. CITY, through the INSPECTOR, shall provide written notice of when PIPELINE RELOCATION work and connections to existing DISTRICT facilities are scheduled at least 72 hours in advance to DISTRICT "REPRESENTATIVE" as defined below in Section II.5.
8. Require CONTRACTOR to prepare a schedule for each aspect of the PIPELINE RELOCATION and any proposed bypass/outage periods, submit the schedule to CITY and DISTRICT for review, and not to proceed with the PIPELINE RELOCATION until after the schedule is approved in writing by CITY and DISTRICT.
9. Issue construction contract change orders (CCOs) as required for the PIPELINE RELOCATION, but only after review and written approval by DISTRICT. DISTRICT's approval shall not be unreasonably withheld and DISTRICT shall respond to requests for approval in a timely manner, as further set forth in SECTION II.3.

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10. Incorporate within the contract documents for the PROJECT a requirement for the CONTRACTOR to obtain and keep in full force and effect throughout the duration of PROJECT, for the mutual benefit of DISTRICT and CITY, Commercial General Liability insurance with a limit of at least one million dollars (\$1,000,000) per occurrence with a minimum aggregate of at least two million dollars (\$2,000,000) for the PROJECT, and Commercial Automobile Liability insurance with a limit of at least one million dollars (\$1,000,000). Said policies shall name DISTRICT and CITY, and each of their elected and appointed officials officers, employees and agents, as additional insureds by separate endorsements, and shall, additionally, contain language providing for waiver of subrogation, that the policies are primary and noncontributing with any insurance that may be carried by the parties, that said insurance may not be cancelled or materially changed except upon thirty (30) calendar days written notice to CITY. CITY shall also require that worker's compensation benefits be secured by CONTRACTOR as required by law. CITY shall also incorporate in the PROJECT contract documents terms for CONTRACTOR's indemnification of DISTRICT, and DISTRICT's elected and appointed officials, officers, employees and agents, which shall be consistent with the CONTRACTOR's indemnity applicable to CITY.

11. Require CONTRACTOR to construct the PIPELINE RELOCATION to the satisfaction of DISTRICT REPRESENTATIVE. CITY shall not accept PROJECT work from CONTRACTOR until DISTRICT REPRESENTATIVE concurs that the PIPELINE RELOCATION has been performed to DISTRICT'S standards and requirements and in accordance with CITY's plan and specifications, as amended by any applicable approved CCO.

12. Require CONTRACTOR to provide a one-year warranty and a warranty bond for the PIPELINE RELOCATION for the benefit of DISTRICT. This warranty and bonding requirement is to be stated in the plans and specifications, and contract documents, for the PROJECT.

13. Upon completion of the PIPELINE RELOCATION work and DISTRICT's written acceptance of PIPELINE RELOCATION dedication, provide a final accounting report detailing the bid item costs for the PIPELINE RELOCATION work for review and approval by

DISTRICT, which approval shall not be unreasonably withheld, and invoice DISTRICT for the balance of any additional costs incurred by CITY and approved by DISTRICT not otherwise paid for said PIPELINE RELOCATION work. DISTRICT shall pay CITY within sixty (60) calendar days of receipt of said invoice.

14. Upon filing of the Notice of Completion for the PROJECT, CITY shall execute a dedication or other applicable conveyance or transfer, of the applicable PIPELINE RELOCATION potable water and recycled water utility facilities to the District in order to complete for DISTRICT the assumption of ownership of the applicable PIPELINE RELOCATION facilities. Said dedication, conveyance or transfer shall include any and all property interests necessary for the location, operation, repair and maintenance of the applicable utility facilities.

15. Pursuant to Section 895.4 of the Government Code, defend with counsel approved in writing by DISTRICT , and indemnify and hold and save harmless DISTRICT and its elected and appointed officials, officers, agents and employees, from all liability from loss, damage or injury to persons or property, including any and all legal costs and attorneys' fees, in any manner arising out of the performance, by CITY, its elected and appointed officials, officers, agents and employees, of CITY's obligations under this AGREEMENT or the contract for the PROJECT.

SECTION II

DISTRICT, IN ADDITION TO ANY OBLIGATIONS, RESPONSIBILITIES, AND RIGHTS SET FORTH IN SECTION I OR III HEREOF, SHALL:

1. Be responsible for review and approval of the design of the PIPELINE RELOCATION based on CITY's Engineer's design request and the contract plans and specifications, and for all CCOs as described in paragraph 3 below for the PROJECT. DISTRICT shall not unreasonably delay the CONTRACTOR in the written approval of work related to the PIPELINE RELOCATION.

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2. Be invoiced for the PIPELINE RELOCATION work as the CONTRACTOR completes construction per the approved plans, in accordance with progress payment terms under the PROJECT contract provisions. Upon review and approval, DISTRICT shall pay all such invoices within thirty (30) days of receipt from CITY.

3. Review and approve CCO's issued by CITY specifically related to the PIPELINE RELOCATION and be solely responsible for all CCO costs pertaining to the PIPELINE RELOCATION. DISTRICT shall not unreasonably withhold consent to such CCO's and DISTRICT shall pay to CITY its share of the cost of such CCO's for any PIPELINE RELOCATION work within thirty (30) days of receipt of a written request for such payment from CITY.

4. Furnish a representative to assist over-seeing installation of the PIPELINE RELOCATION, hereinafter referred to as "DISTRICT REPRESENTATIVE." DISTRICT REPRESENTATIVE and INSPECTOR shall cooperate and consult with each other. Should INSPECTOR and DISTRICT REPRESENTATIVE be unable to reach agreement, the decision of INSPECTOR shall be final, provided the PIPELINE RELOCATION is constructed to DISTRICT's standards and specifications. Specific inspection for all PIPELINE RELOCATION work by CONTRACTOR and for all connections to existing facilities owned by DISTRICT shall be performed to the full satisfaction of the DISTRICT REPRESENTATIVE.

5. Coordinate bypass and/or shutdown of existing DISTRICT pipelines with CONTRACTOR to facilitate connections and/or reconstruction of facilities associated with PIPELINE RELOCATION. CONTRACTOR will identify a schedule for the PIPELINE RELOCATION and include a proposed bypass/outage period to be submitted to CITY and approved in writing by DISTRICT, which can be adjusted if required for the work of the PIPELINE RELOCATION, and as approved by INSPECTOR and DISTRICT REPRESENTATIVE.

6. Upon completion of the PIPELINE RELOCATION and within sixty (60) calendar days of receipt of an invoice and final accounting report from CITY, DISTRICT shall provide to CITY final payment for PIPELINE RELOCATION work not otherwise paid previously, determined as the sum of 6A and 6B below:

- a. The actual sum of the line item prices bid for the construction of the PIPELINE RELOCATION, for bid items to be dedicated to the DISTRICT and booster pump installation as listed in Exhibit B, (extract from contractor project bid sheet) from CONTRACTOR as adjusted for any quantity deductions or additions if applicable.
- b. CCO expenses approved in advance by DISTRICT related to work for the PIPELINE RELOCATION which may not have already been paid by DISTRICT, if any, shall be added to the above.

7. Pursuant to Section 895.4 of the Government Code, defend with counsel approved in writing by CITY, and indemnify and hold and save harmless CITY and its elected and appointed officials, officers, agents and employees, from all liability arising from loss, damage or injury to persons or property, including any and all legal costs and attorney's fees, in any manner arising out of the performance, by DISTRICT, its elected and appointed officials, officers, agents and employees, of DISTRICT's obligations under this AGREEMENT.

8. Upon filing of a Notice of Completion of the PROJECT by CITY and CITY's issuance of an easement or other property interest necessary for DISTRICT'S location, operation, repair and maintenance of applicable PIPELINE RELOCATION utility facilities, accept ownership, by a dedication, or other conveyance or transfer of applicable facilities of the PIPELINE RELOCATION.

SECTION III

IT IS MUTUALLY UNDERSTOOD AND AGREED:

#9.

1. The terms and provisions of this AGREEMENT, including the Recitals which are true and correct, and Exhibit A and B which is incorporated in this AGREEMENT by this reference, shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns.

2. This AGREEMENT constitutes the entire agreement between CITY and DISTRICT and supersedes all prior understandings and agreements, if any, between the parties with respect to the subjects hereof. This AGREEMENT may only be modified in a writing specifically referencing this AGREEMENT and signed by both parties hereto.

3. If any part of this AGREEMENT is held, determined, or adjudicated to be illegal, void, or unenforceable by a court of competent jurisdiction, the remainder of this AGREEMENT shall be given effect to the fullest extent reasonably possible.

4. The parties represent and warrant that this AGREEMENT has been duly authorized and executed and constitutes the legally binding obligation of their respective entity enforceable in accordance with its terms. This AGREEMENT may be executed in two counterparts, and each counterpart shall be deemed to be an original.

5. All notices or other communications provided for herein shall be in writing and shall be personally served or delivered by United States mail, registered or certified, return receipt requested, postage prepaid, addressed as follows:

Moulton Niguel Water District
Ms. Joone Lopez, General Manager
27500 La Paz Road
Laguna Niguel, CA 92677
With a copy to: Director of Engineering and Operations
(same address above)

City of Laguna Niguel
Mr. Rodney Foster, City Manager
30111 Crown Valley Parkway
Laguna Niguel, CA 92677

Either party may, by notice to the other party, designate a different address for notices which shall be substituted for that specified above. Any notice given as provided in this paragraph shall be deemed to have been received, if personally served, as of the date and time of service, or it deposited in the mail as provided above, forty-eight (48) hours after deposit in the mail.

6. This AGREEMENT has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this AGREEMENT, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure, Section 394.

7. DISTRICT may terminate this AGREEMENT at any time with ten (10) days prior written notice to CITY, provided DISTRICT shall remain responsible for all costs incurred by CITY for the PIPELINE RELOCATION, construction work incurred prior to the termination and not otherwise paid by DISTRICT as agreed herein, and DISTRICT shall further be and remain responsible for any future PIPELINE RELOCATION costs arising after such termination that cannot otherwise be mitigated under the terms of the contract with CONTRACTOR. Any notice of termination hereunder by either party shall be in writing and shall state the date upon which such termination is effective. Notice shall be served as provided in paragraph 5 above.

8. Term and Termination. The term of this AGREEMENT shall be from the Effective Date to the date of completion of performance of the activities under this AGREEMENT, including applicable warranty and bonding periods. This AGREEMENT shall remain in effect during the term unless earlier terminated under the following procedures:

#9.

- a. In the event PROJECT construction (as outlined above), is not initiated within two (2) years of the Effective Date of this AGREEMENT, this AGREEMENT will automatically terminate unless extended in writing by mutual agreement of the parties.
- b. In the event CITY is unable to proceed with PROJECT in accordance with the terms and conditions of this AGREEMENT, and prior to DISTRICT incurring any cost for the PROJECT, CITY may terminate this AGREEMENT, with or without cause, upon delivery of thirty (30) days written notice to DISTRICT.
- c. Notice of termination shall be in writing and shall state the date upon which such is effective. Notice shall be served as provided in paragraph 5 above.

9. This AGREEMENT is by and between DISTRICT and CITY and is not intended and shall not be construed so as to create, as between DISTRICT and CITY any agency, servant, employee, partnership, joint venture, association or other relationship between the DISTRICT and CITY.

10. The failure of DISTRICT or CITY to insist upon strict performance of any of the covenants or conditions of this AGREEMENT shall not be deemed a waiver of any right or remedy that DISTRICT or CITY may have, and shall not be deemed a waiver of any right to require strict performance of all the terms, covenants and conditions of this AGREEMENT thereafter, nor a waiver of any remedy for the subsequent breach or default of any term, covenant or condition of this AGREEMENT.

11. Should litigation be necessary to enforce any terms, covenants or provisions of this AGREEMENT, then each party shall bear its own litigation and collection expenses, witness fees, court costs and attorney's fees.

12. The parties agree the Recitals are true and correct, and the Recitals, and the Exhibit referenced in this AGREEMENT and attached to this AGREEMENT, is made a part hereof, as follows:

EXHIBIT A: PIPELINE RELOCATION - potable water and recycled water utility pipelines and appurtenances, recycled water service, booster pumps and irrigation system retrofits. (Sheet W1, W2 of Crown Valley Park Tier 2 plans and Sheet 5 of 21 of Recycled Water Improvement Plans).

EXHIBIT B: FACILITIES INCLUDED IN REIMBURSEMENT BETWEEN CITY AND DISTRICT – potable water and recycled water utility pipelines and appurtenances, recycled water service upstream and including meter vault, and booster pumps.(Extract from Los Angeles Engineering Project Bid Sheet).

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed by their duly authorized representatives on the date written above.

MOULTON NIGUEL WATER DISTRICT

Date: _____

By: _____

Joone Lopez, General Manager

CITY OF LAGUNA NIGUEL

Date: 8.10.2016

By: 

Rodney Foster, City Manager

ATTEST: 

Eileen Gomez, City Clerk

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APPROVED AS TO FORM: T. E. Dix
Terry Dixon, City Attorney 8/19/16

**EXHIBIT "A" to MNWD Reimbursement Agreement
Pipeline Relocation Construction Drawings**

**EXHIBIT "B" to MNWD Reimbursement Agreement
Construction Bid Item Costs**

CROWN VALLEY COMMUNITY PARK ENTRY IMPROVEMENT PROJECT

Construction bid items related to the relocation of MNWD facilities

CONTRACTOR:

Los Angeles Engineering

Item	Description	Estimated Quantity	Unit	Unit Price	Total
N.	Domestic Water (Entrance Improvements) Part A				
260	HOT TAP 16"x12" PER MNWD STD W-6 (DOMESTIC WATER)	1	EA	\$ 10,000.00	\$ 10,000.00
261	CONST 12" PVC, CL200, C900 WATER MAIN PER MNWD STD W-11 AND W-14 (DOMESTIC WATER)	671	LF	\$ 110.00	\$ 73,810.00
262	INSTALL 12" 22.5° DIP CL350 BEND AND THRUST BLOCK PER MNWD STD W-12 (DOMESTIC WATER)	1	EA	\$ 1,000.00	\$ 1,000.00
263	INSTALL 12" 45° DIP CL350 BEND AND THRUST BLOCK PER MNWD STD. W-12 (DOMESTIC WATER)	3	EA	\$ 1,000.00	\$ 3,000.00
264	REMOVE EXISTING 12" X 6" DW REDUCER, INSTALL 12" DW GATE VALVE PER MNWD STD. W-8, AND JOIN EXISTING 12" DW W/ 12" FLEX COUPLING	1	EA	\$ 7,000.00	\$ 7,000.00
265	INSTALL FIRE HYDRANT ASSEMBLY, 6" PVC PIPE AND 6" GATE VALVE PER MNWD STD. W-7.	1	EA	\$ 8,000.00	\$ 8,000.00
266	CONSTRUCT TRENCH BACKFILL/PAVEMENT REPAIR PER DETAIL ON SHT. 31 TRENCH WIDTH PER PLAN.	285	SF	\$ 16.00	\$ 4,560.00
267	INSTALL 12" DW GATE VALVE PER MNWD STD. W-8	1	EA	\$ 3,700.00	\$ 3,700.00
	SUBTOTAL N:			\$ 111,070.00	
O.	RECYCLED WATER (ENTRANCE IMPROVEMENTS) PART A				
268	HOT TAP 16"x8" PER MNWD STD W-6 (RECYCLED WATER)	1	EA	\$ 6,100.00	\$ 6,100.00
269	CONST 8" PVC, CL200, C900 RECYCLED WATER MAIN PER MNWD STD W-11 AND W-14 (RECYCLED WATER)	332	LF	\$ 75.00	\$ 24,900.00
270	INSTALL 8" 45° DIP CL350 BEND AND THRUST BLOCK PER MNWD STD. W-12 (RECYCLED WATER)	2	EA	\$ 870.00	\$ 1,740.00

Item	Description	Estimated Quantity	Unit	Unit Price	Total
271	INSTALL 8" 22.5° DIP CL350 BEND AND THRUST BLOCK PER MNWD STD. W-12 (RECYCLED WATER)	3	EA	\$ 850.00	\$ 2,550.00
272	SAWCUT AND REMOVE INTERFERRING PORTION AND INSTALL 8"X8"X8" DIP CL350 TEE AND THRUST BLOCK PER MNWD STD. W-12	1	EA	\$ 1,600.00	\$ 1,600.00
273	INSTALL 8" 90° BEND AND JOIN WITH 8" DIP FLEX COUPLING	1	EA	\$ 2,400.00	\$ 2,400.00
274	INSTALL 8" RW GATE VALVE PER MNWD STD. W-8	2	EA	\$ 2,500.00	\$ 5,000.00
275	INSTALL 1" AIR VAC PER MNWD STD. W-9	1	EA	\$ 3,700.00	\$ 3,700.00
276	INSTALL 8"X6" DUCTILE IRON REDUCER	1	EA	\$ 300.00	\$ 300.00
277	INSTALL 6" PVC, CL200, C900, WATER MAIN PER MNWD STD. W-11 & W-14	117	LF	\$ 75.00	\$ 8,775.00
278	INSTALL 6" 22.5° DIP CL350 BEND AND THRUST BLOCK PER MNWD STD. W-12	1	EA	\$ 800.00	\$ 800.00
279	JOIN WITH 8" 90° DIP CL350 BEND, FLEX COUPLING, AND THRUST BLOCK PER MNWD STD. W-12	1	EA	\$ 3,500.00	\$ 3,500.00
Q.	RECYCLED WATER (Conversion) PART B				\$ 61,365.00
285	6" PVC, CL200, C900 (PURPLE) - (INCLUDES FITTINGS)	132	LF	\$ 90.00	\$ 11,880.00
291	INSTALL CUT-IN 8"X8"X6" TEE AND THRUST BLOCK PER MNWD STD. W-12.	1	EA	\$ 3,600.00	\$ 3,600.00
292	INSTALL 4" METER BOX AND METER PER MNWD STD. W-5 WITH MODIFIED USFFAB DT-AHD TRAFFIC GRADE LID	1	EA	\$ 11,000.00	\$ 11,000.00
303	INSTALL 6" DIP, CL350, SPOOL, RECYCLED WATER MAIN PER MNWD STD. W-11 & RW-1	20	LF	\$ 85.00	\$ 1,700.00
	SUBTOTAL Q				\$ 28,180.00
U	Recycled water booster Pump				\$ 60,000.00
	Total				\$ 260,615.00



moulton niguel water district

STAFF REPORT

TO: Board of Directors **MEETING DATE:** August 17, 2016
FROM: Drew Atwater, Director of Planning
SUBJECT: City of Laguna Niguel Turf Removal Rebate Application
DIVISION: District-wide

SUMMARY:

Issue: The District has received exemption requests for a rebate application that exceeds the maximum allowable acreage for turf removal as defined in the approved Board policy.

Recommendation: It is recommended that the Board of Directors consider the rebate application for the identified project without a limitation on the maximum allowable acreage for the project and direct staff accordingly.

Fiscal Impact: Sufficient funds are available within the Water Use Efficiency Fund to fund the identified rebate application. However, the large project is above planned budgeting in the Water Efficiency Fund and requires a budget amendment to avoid exhausting the FY 2016-17 budget. Additional information is provided within the staff report and separate budget amendment action is required.

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.

The proposed project is eligible to receive \$2 per square foot from the District for turf removal. The program provides limitations on the amount of turf removal and/or synthetic turf installation that qualifies for the rebate. The relevant cap for the

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City of Laguna Niguel Turf Removal Rebate Application

August 17, 2016

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applicants are 10,000 square feet for District funding per meter for the commercial projects and 3,000 square feet for the residential project.

All rebates from the District are funded through the Water Efficiency Fund using the incremental revenue generated from the higher consumption tiers (Tiers 3, 4 and 5) in the water budget-based rate structure.

DISCUSSION:

In recent months, the District has expanded its outreach efforts to promote water use efficiency in response to the drought emergency. Customers have responded with requests for more than 5 million square feet of turf removal. The District has received an additional request from the City of Laguna Niguel to remove 161,785 square feet of turf at Crown Valley Park as part of the overall Tier 2 Entrance Improvements Project. Table 1 identifies the customer and the rebate request.

Table 1 – Rebate Request

Customer	Division	Proposed Turf Removal (Sq. Feet)	Proposed Rebate Value (\$)
City of Laguna Niguel – Acct #91-16001	2	161,785	\$323,570
Total		161,785	\$323,570

The value provided above is based on an estimate from the project proponent and may vary as the project becomes more defined. The proposed rebate incentive for the identified project would be funded from the Water Efficiency Fund.

Staff is recommending the Board remove the maximum allowable acreage to allow the General Manager or her designee to consider the proposed application based on the overall project objectives, various funding sources, and current available funds for rebates. Removal of the maximum acreage by the Board of Directors does not constitute an approval of the rebate application, but allows the application referenced above to be considered for the full amount of turf removal.

#11.

Water Efficiency (Fund 6) Budget Amendment

August 17, 2016

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replacement program is designed to help residents, businesses, and public agencies make that conversion. The District has targeted outreach efforts and water efficiency programs towards transforming landscapes and converting landscape areas with turf grass to California Friendly and California native landscapes to save water as a critical drought response measure.

DISCUSSION:

Due to an unexpected large turf removal project, expected turf rebate spending has exceeded estimates used to establish the Fund 6 budget for Fiscal Year 2016-17. District staff performed a thorough review of rebate funding both carried over from the previous fiscal year and rebate funding required based on level of interest in the program. Due to the request for a large project from the City of Laguna Niguel and to maintain funding for other customers through the end of the fiscal year, a budget amendment is required.

Attachment: Proposed Resolution entitled, "Approving a Budget Amendment in Order to Fund Additional Water Efficiency Programs for Fiscal Year 2016-17"

RESOLUTION NO. 16-__

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MOULTON NIGUEL WATER DISTRICT
APPROVING A BUDGET AMENDMENT IN ORDER TO FUND
ADDITIONAL WATER EFFICIENCY PROGRAMS FOR FISCAL YEAR 2016-17**

WHEREAS, on June 16, 2016, the Board of Directors of the Moulton Niguel Water District (“Board of Directors”) adopted Resolution No. 16 - 12 (“Budget Resolution”) whereby the Board of Directors approved the Operating and Capital Improvement Program Budget for the Fiscal Year beginning July 1, 2016, and ending June 30, 2017, which consists of the estimated and anticipated expenditures and revenues for the Fiscal Year for all funds; and

WHEREAS, since the date of adoption of the Budget Resolution, the demand for water efficiency programs, including rebate funding, has continued to grow in response to the current statewide drought. As a result, additional funds for such programs are needed in order to meet the demands of the District’s customers during the current fiscal year; and

WHEREAS, pursuant to the District’s Financial Policies, appropriations may be modified with majority approval of the Board of Directors throughout the fiscal year. Said Policy requires that any changes in appropriations at the fund level during the year must be submitted by District staff for formal Board review and approval; and

WHEREAS, a public meeting of the Board of Directors was duly noticed and conducted under the Brown Act on August 18, 2016, during which this Resolution was considered by the Board of Directors; and

WHEREAS, the Board of Directors desires to implement the procedures of the Financial Policies in order to approve amendments to the budget and appropriations at the Water Efficiency Fund (Fund 6) level in order to budget and expend additional amounts for water use efficiency programs.

NOW, THEREFORE the Board of Directors of the Moulton Niguel Water District, does hereby **RESOLVE, DETERMINE** and **ORDER** as follows:

SECTION 1. The Recitals set forth above are incorporated herein and made an operative part of this Resolution.

SECTION 2. The FY 2016-17 Budget – Water Efficiency Fund Account Descriptions are hereby amended in order to increase the Water Efficiency budgeted amount from \$2,898,457 to \$3,222,027. This amendment reflects an increase in budgeted expenditures by \$323,570. Said

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budget and account information are more particularly described in the attachment to this Resolution and said attachment is hereby made part of this Resolution.

SECTION 3. Except as otherwise specifically set forth herein, the provisions of the Operating and Capital Improvement Budget and appropriations for the Fiscal Year beginning July 1, 2016, and ending June 30, 2017, as adopted by way of the Budget Resolution, shall remain in full force and effect.

SECTION 4. The expenditure amounts designated to Fund 6 for which they are designated and such appropriations shall not be increased except under the procedures as described and followed herein.

SECTION 5. The appropriations for Fund 6 may only be further increased or decreased by the Board of Directors by passage of a subsequent resolution amending the Budget under the procedures described and followed herein.

SECTION 6. If any section, subsection, clause or phrase in this Resolution is for any reason held invalid, the validity of the remainder of this Resolution shall not be affected thereby. The Board of Directors hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof be held invalid.

ADOPTED, SIGNED and APPROVED this 18th day of August, 2016.

MOULTON NIGUEL WATER DISTRICT

President/Vice President
MOULTON NIGUEL WATER DISTRICT
and of the Board of Directors thereof

Secretary/Assistant Secretary
MOULTON NIGUEL WATER DISTRICT and of the
Board of Directors thereof

MOULTON NIGUEL WATER DISTRICT
WATER EFFICIENCY FUND STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET
POSITION

	FY 2017 Approved Budget	FY 2017 Proposed Budget	FY 2017 Difference	FY 2017 % Change
Fund 6 Beginning balance	\$5,299,019	\$5,299,019	-	0.0%
<u>Operating Revenues:</u>				
Projected Water Efficiency Revenue	3,303,844	3,303,844	-	0.0%
<u>Non-Operating Revenues:</u>				
Investment Income	106,436	106,436	-	0.0%
<u>Operating Expenses:</u>				
Labor	1,068,280	1,068,280	-	0.0%
Educational Courses	2,500	2,500	-	0.0%
Travel & Meetings	24,700	24,700	-	0.0%
General Services	-	-	-	0.0%
Dues & Memberships	500	500	-	0.0%
Consulting Services	1,300,000	1,300,000	-	0.0%
Legal Services	10,000	10,000	-	0.0%
Conservation supplies	380,500	380,500	-	0.0%
Repairs & Maint. - Equipment	2,500	2,500	-	0.0%
Water Efficiency	2,898,457	3,222,027	323,570	6.7%
Total Operating Expenses	5,687,437	6,011,007	323,570	4.7%
Change in Operating Position	(2,277,156)	(2,600,726)	(323,570)	14.2%
<u>Non-Operating Expenses:</u>				
AMI Phase I - Potable Irrigation	490,000	490,000	-	0.0%
AMI Phase I - RW Meters	490,000	490,000	-	0.0%
Total Non-Operating Expenses	980,000	980,000	-	-35.3%
Projected Change in Fund	(3,257,156)	(3,580,726)	(323,570)	9.9%
Projected Fund 6 Ending Balance	\$2,041,863	\$1,718,293	(323,570)	-15.8%



moulton niguel water district

STAFF REPORT

TO: Board of Directors **MEETING DATE:** August 17, 2016
FROM: Matt Collings, Assistant General Manager
SUBJECT: Amendment No. 2 to the Consulting Services Agreement – Ware Malcomb
DIVISION: District-Wide

SUMMARY:

Issue: Additional architectural and engineering services are necessary to continue development of preliminary design concepts for the Operations Center Consolidation and Improvements Project.

Recommendation: It is recommended that the Board of Directors approve Amendment No. 2 to the Consulting Services Agreement with Ware Malcomb for an amount not-to-exceed \$16,800 for a total contract amount of \$140,800; authorize the General Manager to approve change orders up to 10% of the total contract value; and authorize the General Manager to execute Amendment No. 2.

Fiscal Impact: Sufficient funds are included in the proposed Fiscal Year 2016-17 capital improvement project budget.

BACKGROUND:

The District has operated from the Main Office and Plant 2A sites for more than 40 years with intermittent upgrades and improvements to the facilities to support growth or infrastructure needs. In assessing capital improvements needed for the facilities, staff recommended that a comprehensive review of long-term needs be completed prior to performing any significant rehabilitation or refurbishment of the existing facilities. The District initiated the Operations Center Consolidation and Improvement Project in 2013 with the development of a Needs Assessment assessing current spacing needs, future growth potential, and long-term space requirements. After completion of the Needs Assessment and a review of potential site alternatives to construct the necessary Operations Center, the District concluded that remaining at

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Amendment No. 2 – Ware Malcomb

August 17, 2016

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the Plant 2A site and consolidating all of the District personnel and operations into a single site was the best course of action.

The District entered into the a Consulting Services Agreement with Ware Malcomb on November 30, 2014, for a not-to-exceed contract value of \$25,500 to prepare a site plan and floor plans for the proposed facilities at Plant 2A based on the completed Needs Assessment. The work performed by Ware Malcomb assisted the District in evaluating alternative sites for a future consolidated Operations Center. Ware Malcomb's work under that contract was completed with a presentation to the Board of Directors at a special meeting in January 2015.

In June 2015, the Board of Directors authorized amendment No. 1 with Ware Malcomb to perform additional architectural and engineering services related to the Operations Center Consolidation Project. The additional work increased the contract value to \$124,000 and included services to support the planning and environmental analysis of the proposed project. The scope of work provided for a validation of the Needs Assessment and development of interior floor plans, refinement of the site plan and building elevations, and site grading and drainage analysis. Ware Malcomb has completed provided all of the deliverables associated with this scope of work.

DISCUSSION:

The District has submitted a site development and conditional use permit application to the City of Laguna Hills while finalizing the Mitigated Negative Declaration. As part of the City's preliminary review, some modifications to the site plan and layout have been proposed to enhance the site design and remain consistent with the site zoning requirements. Ware Malcomb provided a proposed scope and fee to accomplish the additional work. The scope of work includes:

1. Grading and Building Elevation modifications to reduce the pad elevation and evaluate the feasibility of removing mechanical equipment from the administration building roof.
2. Revise the site layout, floor plan and exterior elevations for the proposed Fleet Services Building including site cross-sections as directed by the District.

The proposed fee for the work outlined above is not-to-exceed \$16,800 based on actual time and materials. The revised exhibits would be incorporated into the City Planning application and the environmental documents for consideration. Staff is recommending the Board of Directors authorize the additional scope of work.

Attachments:

1. Consulting Services Agreement with Ware Malcomb
2. Amendment No. 1 to the Consulting Services Agreement
3. Proposed Scope of Work for Amendment No. 2

**AGREEMENT FOR CONSULTING SERVICES BETWEEN
MOULTON NIGUEL WATER DISTRICT AND WARE MALCOMB
MNWD PROJECT: ARCHITECTURAL DESIGN SERVICES
CONTRACT NO. OM14-15.022**

THIS AGREEMENT (the "Agreement") is dated as of November 30, 2014 (the "Effective Date"), by and between WARE MALCOMB, hereinafter referred to as the "CONSULTANT" and MOULTON NIGUEL WATER DISTRICT hereinafter referred to as "MNWD," and provides for the furnishing of CONSULTING services to MNWD by CONSULTANT. MNWD and CONSULTANT may sometimes be referred to in this Agreement individually as "party" and together as "parties."

RECITALS

CONSULTANT proposes to provide architectural design services to MNWD (the "Services"). The scope of work to be performed by CONSULTANT under this Agreement is described in **Exhibit A** hereto, which is incorporated herein (the "Scope of Services").

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

AGREEMENT

SECTION I - CONSULTING SERVICES

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

SECTION II – SCOPE OF SERVICES AND PERFORMANCE

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

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

Section 2.3 CONSULTANT shall provide all labor, materials, tools, equipment, supplies, utilities and transportation required to perform the Services, subject to compliance with the Agreement requirements, and complete all Services in a thorough, professional manner in accordance with generally accepted industry practices and principles, and to the satisfaction of MNWD. CONSULTANT shall have the sole and absolute discretion in determining the methods, details and means of performing the Services, and MNWD shall not have any right to direct the methods, details and means of the Services, provided that CONSULTANT must receive prior written approval from MNWD before using any subconsultants for the provision of Services under this Agreement. In performing the Services under this Agreement, CONSULTANT shall observe and abide by the terms and conditions of all applicable laws, regulations, ordinances, or other rules of the United States, of the State of California, or any political subdivisions thereof, or of any other duly constituted public authority or agency including but not limited to MNWD.

#12.

Section 2.4 MNWD may request or CONSULTANT may recommend, that CONSULTANT perform work in addition to or different from that delineated in the original Scope of Services, or delete services from the Scope of Services. Upon MNWD's request for additional or changed Services, CONSULTANT shall provide a cost estimate and written description of the additional or changed work. Prior to any such addition, changes, or deletion to the Scope of Services, MNWD and ENGINEER shall negotiate an adjustment of the compensation and completion date and shall execute a written addendum. Upon execution of each addendum, (i) the Scope of Services shall thereafter be as described in the Agreement, respectively, as modified by the addendum and any previously executed addendum; and (ii) the time for completing the Services shall be as set forth in the addendum. Following execution of any amendment, all terms and provisions of the Agreement, except as expressly modified by such amendment, shall remain in full force and effect. MNWD will not be required to pay for any additional or changed work rendered in advance of the execution of an amendment covering the additional or changed work.

Section 2.5 CONSULTANT agrees to coordinate the work to ensure its timely completion and shall promptly notify MNWD of any anticipated delays or causes or casualties beyond CONSULTANT'S control which may affect the work schedule. CONSULTANT shall not begin work on any Services pursuant to this Agreement until receipt of MNWD'S written direction to proceed. Upon receipt of such notice, CONSULTANT shall immediately commence the work described in Exhibit A. The Services shall be completed in an expeditious manner and in any event no later than the completion date listed on the Scope of Services. Time is of the essence in this Agreement.

Section 2.6 CONSULTANT'S manager in charge of the Services is Tom Myers, Principal.

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

Section 2.8 MNWD shall make available to CONSULTANT at no cost all technical data in MNWD'S possession, including maps, past reports, prior studies, prior plan operating data, and other information reasonably required by CONSULTANT and relating to the work to be performed under this Agreement.

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

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

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

SECTION III – TERM

Section 3.1 This Agreement shall commence as of the Effective Date and continue in effect through **March 30, 2015** unless otherwise terminated by either party pursuant to Section VIII herein.

SECTION IV – PRICE AND PAYMENT TERMS

Section 4.1 In consideration for providing the Services, MNWD agrees to compensate CONSULTANT on a fixed fee basis up to a not-to-exceed maximum Agreement amount of **Twenty-Five Thousand Five Hundred Dollars (\$25,500.00)**, which is inclusive of all costs. A breakdown of fees is attached hereto and incorporate herein as **Exhibit B**.

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

SECTION V - WARRANTY

Section 5.1 In performing services under this Agreement, CONSULTANT shall observe and abide by the terms and conditions of all applicable laws, regulations, ordinances, or other rules of the United States, of the State of California, or any political subdivisions thereof, or of any other duly constituted public authority or agency including but not limited to MNWD.

SECTION VI - INSURANCE AND INDEMNIFICATION

Section 6.1 Professional Liability Insurance. CONSULTANT and each of its sub-consultants/subcontractors shall maintain throughout the term of this Agreement a professional liability (errors and omissions) policy of insurance having coverage of not less than One Million Dollars (\$1,000,000) for each claim and in annual aggregate. The following provisions shall apply if the professional liability coverage is written on a claims-made basis:

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

Section 6.2 General/Automobile Liability Insurance. CONSULTANT and each of its sub-consultants/subcontractors shall maintain throughout the term of this Agreement a general

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liability policy of insurance for bodily injury and/or death, personal injury and property damage claims which may arise from or in connection with the performance of the work under this Agreement by CONSULTANT and its sub-consultants/subcontractors, and each of their agents, representatives, or employees. Such public liability and property damage insurance (which shall cover claims, injury, death, loss or damage or accidents from the use or operation of any automobiles, trucks and/or other mobile or stationary equipment, whether owned, non-owned or hired) shall be comprehensive in form and shall be on a "per occurrence" basis in a minimum amount of One Million Dollars (\$1,000,000) per occurrence and an annual aggregate limit in a minimum amount at least twice the per occurrence limit specified in this Section.

All insurance provided under this Section 6.2 shall name MNWD and its' directors, officers, employees and representatives as additional insureds under each such policy ("additional insureds") and an additional insured endorsement shall be provided in form acceptable to MNWD.

Section 6.3 Worker's Compensation. By its signature hereunder, CONSULTANT certifies that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and that CONSULTANT will comply with such provisions before commencing the performance of work under this Agreement. CONSULTANT and subcontractors shall maintain throughout the term of this Agreement workers' compensation insurance with limits no less than the statutory limits, and Employer's Liability insurance with limits no less than One Million Dollars (\$1,000,000) per accident and per disease for their employees and shall file with the MNWD the certificate required by Labor Code Section 3700. The workers compensation/Employer's Liability insurance shall be endorsed with a waiver of subrogation in favor of MNWD and its' directors, officers, employees and representatives.

Section 6.4 Requirements of All Policies. All policies of insurance required under this SECTION VII shall be from insurance providers who are either admitted or licensed to do business in California, or are Surplus Lines Carriers authorized to do business in California, and who have financial size and ratings of no less than A-, Class VII, and in either case are otherwise acceptable to MNWD. All such policies shall include a provision and executed endorsement for thirty (30) days prior written notice by certified mail, return receipt requested, to MNWD of any cancellation or material alteration of such insurance. CONSULTANT shall provide original certificates and endorsements for all such insurance on forms approved by MNWD in conformity with all requirements of this Agreement prior to commencement of any work or professional services. The policies required hereunder shall be endorsed to include contractual liability.

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

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

Section 6.5 Indemnity.

CONSULTANT shall hold harmless, defend and indemnify, including the cost to defend, MNWD and its directors, officers, employees and representatives from liability, claims, damages, demands, actions, attorneys' fees, costs and expenses (i) for personal injury, bodily injury or property damage that arise out of, pertain to, or relate to the operations and work of the CONSULTANT and its subcontractors under this Agreement, or (ii) that arise out of, pertain to, or relate to CONSULTANT'S or its subcontractor's negligence including negligent acts, errors or omissions, recklessness, or willful misconduct in the performance (or actual or alleged non-performance) of the services under this Agreement.

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 dated date of this Agreement. The CONSULTANT's obligations pursuant to this Section shall survive the expiration or termination of this Agreement and/or the performance or completion of any or all Services and work provided under this Agreement. This indemnity obligation shall apply to all liability regardless of whether any insurance is applicable, and the policy limits of any insurance shall not act as a limitation upon the indemnification, and amounts related thereto, to be provided by CONSULTANT hereunder.

SECTION VII - NO SUBCONTRACTING

Section 7.1 No obligations under this Agreement shall be subcontracted without prior written approval by MNWD, which approval shall not be unreasonably withheld or delayed.

Section 7.2 In the event that subcontracting is approved by MNWD, CONSULTANT shall ensure that:

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

Section 7.3 CONSULTANT is as responsible to MNWD for the acts and omissions of its subcontractor as it is for persons directly employed by CONSULTANT. Nothing contained in this Agreement creates any contractual relationship between any subcontractor and MNWD. Supplier shall remain the primary debtor and be responsible for the due and timely performance by any subcontractor.

SECTION VIII - TERMINATION OR ABANDONMENT

Section 8.1 This Agreement may be terminated in whole or in part in writing by either party provided that no such termination may be effected unless the other party is given not less than ten (10) calendar day's written notice (deliver by certified mail, return receipt requested) of intent to terminate. Additionally, MNWD may suspend performance by CONSULTANT of any or all services listed in the Scope of Services under this Agreement by providing written notice to CONSULTANT at least five (5) working days prior to the date on which MNWD wishes to suspend; provided, upon receipt of such notice, CONSULTANT shall immediately suspend any work or services hereunder, unless otherwise instructed by MNWD in such notice.

Section 8.2 CONSULTANT shall not perform further work under this Agreement after the effective date of suspension until receipt of written notice from MNWD to resume performance. MNWD and CONSULTANT agree that in the event MNWD suspends or terminates performance by CONSULTANT for any cause other than the intentional or negligent error or omission of

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CONSULTANT, CONSULTANT shall be entitled to payment of compensation incurred prior to the effective date of the suspension or termination, as determined under Section IV of this Agreement.

Section 8.3 In the event of any suspension or termination herein, MNWD shall have the right to take possession and shall immediately own all original drawings and other documents developed for that portion of the work completed and/or being suspended or abandoned.

SECTION IX - GENERAL

Section 9.1 CONSULTANT represents that it is aware of no facts or circumstances which would impair its ability to provide fair and unbiased advice to MNWD in the course of performing the CONSULTING services hereunder, or which would impact its objectivity in performing such services hereunder.

Section 9.2 This Agreement represents the entire understanding of MNWD and CONSULTANT as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be amended, modified or altered except in writing, signed by the parties. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared it. In the event of any inconsistency between this Agreement and any other agreement or document between the parties, either written or verbal, including any CONSULTANT proposal document, this Agreement shall control unless such other agreement provides explicitly to the contrary.

Section 9.3 Any notice required or permitted to be given hereunder if not otherwise specified herein may be given or delivered by depositing the same in the United States Post Office, registered or certified, postage prepaid, or by personal service a hand delivery, and addressed to:

To MNWD - Attn: Matt Collings, Assistant General Manager
 Moulton Niguel Water District
 27500 La Paz Road
 Laguna Niguel, CA 92677

To CONSULTANT - Attn: Tom Myers, Principal
 Ware Malcomb
 10 Edelman
 Irvine, CA 92618

Section 9.4 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 9.5 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 9.6 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 9.7 It is expressly understood and agreed that CONSULTANT is retained as an independent contractor for the sole purpose of rendering the professional and/or special services, and is not an employee or agent of MNWD. CONSULTANT warrants that it will not represent, at any time or in any manner, that CONSULTANT is an employee or agent of MNWD. CONSULTANT shall have no authority to, and shall not, incur any debt, obligation or liability on behalf of MNWD. CONSULTANT shall be solely responsible for the payment of all federal, state and local income tax, social security tax, Workers' Compensation insurance, state disability insurance, and any other taxes or insurance CONSULTANT, as an independent contractor, is responsible for paying under federal, state or local law. CONSULTANT is thus not eligible to receive workers' compensation, medical, indemnity or retirement benefits, including but not limited to enrollment in CalPERS.

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


Section 9.8 This is a non-exclusive Agreement for the services contemplated herein.

Section 9.9 This Agreement and all of the terms, conditions, and provisions hereof shall inure to the benefit of and be binding upon the parties hereto, and their respective successors and assigns; provided, however, that no assignment of this Agreement or any interest herein shall be made by CONSULTANT without prior written consent of MNWD.

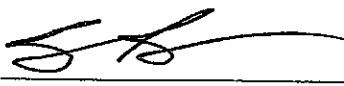
Section 9.10 This Agreement may be executed in counterparts, each of which shall be deemed an original.

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

Moulton Niguel Water District

By: 
Matt Collings
Assistant General Manager

CONSULTANT – Ware Malcomb

By: 
Title: Tobin Sloane, CFO

**EXHIBIT A
SCOPE OF SERVICES**

Consultant shall perform the following services pursuant to this Agreement:

I. Project Description:

The scope of services includes Conceptual Design services for the proposed facility identified in the Facility Assessment Package dated February 03, 2014 prepared by others. The purpose of this effort is to validate the program provided by MNWD and develop the Conceptual Design of the proposed facility for MNWD's General Contractor to provide a conceptual budget. It is intended that the existing Operations Building remain part of the project.

A. The following consultants/disciplines are to be included under Ware Malcomb's scope and responsibility.

1. Interior Design (Ware Malcomb)
2. Civil Engineering (Ware Malcomb) for Site Ops

II. Site and Shell Building Basic Services:

A. Conceptual Design:

Ware Malcomb will meet with MNWD to discuss and confirm requirements and time schedule, and conduct meetings with the designated representative(s) to layout the formal goals, objectives and scope of the project design. This will include present and future needs, budget, scheduling, Owner review, design approval dates, key design elements to be incorporated into the documents, preliminary selections of major building systems and construction materials, and other parameters pertinent to the project.

1. Based upon the background drawings provided by MNWD, Ware Malcomb shall prepare, for approval by MNWD, Conceptual site plans, Conceptual Floor Plans, and Exterior Elevations and other documents, which generally illustrate the scale and relationship of project components and indicate site conditions, plan arrangements and the general scope and character of the project for the new building(s). Ware Malcomb to generate a Sketch-up 3-D model of the building design.
2. Address site issues such as parking and circulation, service access, emergency vehicle access and proposed hardscaping and landscaping locations.
3. Provide adequate concept drawings, notes and information for Moulton Niguel Water District's General Contractor to generate a conceptual construction estimate.
4. Assist with the development of a phasing plan.
5. Attend up to four (4) meetings as requested by MNWD.

III. Interior Tenant Improvements (Office and Shops/Fleet/Warehouse)

A. Interiors Conceptual Design Phase:

1. Visioning Session: As a part of the program review, Ware Malcomb shall provide a visioning session which will be a single "brainstorming" meeting about the new facility.

We will lead the discussion around the factors that will achieve success for the new space, and what the look and feel of the new environment will require in order to reflect MNWD's vision.

Our Visioning process includes a pre-meeting with Executive Staff to review our presentation, along with the main session which includes three modules: a presentation to educate the team with the latest research in workplace trends, our consensus building brainstorming module, and finally our contrasting brands discussion.

At the conclusion of the visioning session, Ware Malcomb shall provide meeting notes recapping the highlights along with any necessary sketches to clarify concepts. These notes and sketches shall be combined with the other program data as a final program document.

2. Programming validation: Meet with MNWD in order to establish a summary of interior spaces, the location and circulation of personnel, lighting and furniture requirements, finishes, and budget constraints. We have included up to two (2) meetings for this effort.

- a. Functional Requirements.
- b. Adjacencies.
- c. Special Requirements.
- d. Image.
- e. Circulation.

3. Space Planning:

- a. Based on the interior development program, provide a space plan, which will indicate the location of all rooms, circulation paths, partitions, doors and a suggested furniture layout (furniture shall be blocked out for open areas and further defined in design development). We will include reasonable revisions to the space plan (one (1) major changing a maximum of 30% of the space, and two (2) minor revisions changing less than 20% of the space maximum).
- b. Review the plans for conformance to codes and make recommendations as necessary to meet local building department requirements.
- c. In addition to graphic representations of the plan, any (i.e., cabinetry, lighting, finishes) or other conditions that might affect the build-out costs are outlined so that a contractor can assemble a preliminary budget cost for the project.
- d. Included are up to two (2) meetings.

IV. Civil Engineering Site Ops Services:

A. Obtain available record drawings and topographic surveys from MNWD, for boundary and infrastructure information within and adjacent to the site.

B. Using the approved site plan, existing topographic survey data and the geotechnical report, Ware Malcomb will develop a conceptual design model for optimization processing relative to site construction costs. The optimized model shall result in a preliminary design that shall include finish floor elevations, proposed subgrades, the bedrock layers and a preliminary construction takeoff cost report. National unit cost averages will be used in site optimization modeling unless client has updated regional cost information. The fee includes modeling the proposed buildings on the approximately

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11 acre site. Included are up to four (4) variations/revisions.

V. Excluded Services:

Ware Malcomb will not provide the services listed below.

- A. Soils engineering, studies, or reports.
- B. Permits or Agency fees.
- C. Special studies such as Traffic, Noise, Utility or Environmental studies.
- D. Hazardous materials identification, storage, or abatement.
- E. Confirmation and/or verification of the accuracy and/or completeness of documents or information received from others.

VI. Supplemental Services:

The following items are not contemplated or included within Ware Malcomb's Scope or Fee. Ware Malcomb may perform certain services among the list below as an additional service and for an additional fee.

- A. Formal Planning Department submittal package.
- B. Design Development, Contract Documents and Contract administration services.
- C. Civil Surveying or Public Work's requirements.
- D. Structural, Mechanical, Plumbing and Electrical Engineering design and documents.
- E. Landscape Architecture design.
- F. Signage or Public Art selection.
- G. Professional Perspective or 3D Renderings or Physical Models.
- H. Graphic Design services such as Identity/Logo, Stationery System, Branding, Marketing Materials/Leasing Brochures, Website, Multi-Media Presentations, and Environmental Graphics.
- I. Cost Estimating Services or Value Engineering.
- J. BOMA Calculations.
- K. LEED Design, Applications and Management Services.
- L. Any and all other services not specifically described as part of Basic Services.

PROJECT COMPLETION DATE: March 30, 2015

**EXHIBIT B
BREAKDOWN OF FEES**

A. Shell & Core Office Buildings (+83,125 GSF) – Architecture:

Conceptual Design \$ 6,000.00

B. Office Tenant Improvements (+45,000 GSF):

Visioning Session \$ 3,000.00

Program Validation \$ 3,000.00

Conceptual Space Plan \$ 7,000.00

C. Shops/Fleet/Warehouse Tenant Improvements (+38,125 GSF):

Space Planning \$ 1,500.00

D. Civil Site Optimization \$ 5,000.00

Total Services Fee \$25,500.00

**AMENDMENT NO. 1 TO THE AGREEMENT FOR CONSULTING SERVICES
BETWEEN MOULTON NIGUEL WATER DISTRICT AND
WARE MALCOMB FOR ARCHITECTURAL DESIGN SERVICES
CONTRACT NO. OM14-15.022**

This Amendment No. 1 (this "Amendment") is entered into and effective as of July 1, 2015, amending the Agreement for Consulting Services, dated November 30, 2014 (the "Agreement") by and between the Moulton Niguel Water District, a California Water District ("MNWD" or "District"), and Ware Malcomb ("Consultant") (collectively, the "Parties"). Where applicable, the term "Agreement" as used in this Amendment includes the Agreement together with this Amendment. All capitalized terms not defined herein shall have the meanings set forth in the Agreement.

RECITALS

- A. WHEREAS, The Parties desire to extend the term of the Agreement; and
- B. WHEREAS, the Parties desire to amend the Agreement's Scope of Services to be performed by Consultant under the Agreement; and
- C. WHEREAS, the Parties have negotiated and agreed to a revised Scope of Services and related fee schedule.

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

1. The term of the Agreement is hereby extended through June 30, 2016.
2. Amendment to Exhibit A, Scope of Services. The Scope of Services set forth in the Agreement, shall be replaced by the Exhibit A, Scope of Services, which is attached hereto and incorporated herein by this reference.
3. MNWD will pay Consultant on a time and materials basis for Services performed pursuant to this Amendment at the hourly rates listed on Exhibit A hereto. Total payments under this Amendment, including all fees, costs and expenses, shall not exceed **Ninety-Eight Thousand Five Hundred Dollars (\$98,500)**. Consultant will provide MNWD, on a monthly basis, copies of invoices sufficiently detailed to include summary of work performed, and related activities and costs for approval by MNWD.
4. The Parties agree that the total Agreement amount, including this Amendment, shall not exceed One Hundred Twenty-Four Thousand Dollars (\$124,000).
5. All requisite insurance policies to be maintained by the Consultant pursuant to the Agreement, will include coverage for this Amendment.
6. All other provisions of the Agreement, as may have been amended from time to time, 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.

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7. 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.

WARE MALCOMB

MOULTON NIGUEL WATER
DISTRICT, a California Water District

By:

By: Joone Lopez



(Sign here)

General Manager

Tom Stano

Name

CEO

Title

EXHIBIT A

SCOPE OF SERVICES

WARE MALCOMB

Leading Design for Commercial Real Estate

Revised June 8, 2015

June 1, 2015

Matt Collins
Assistant General Manager
Moulton Niguel Water District
27500 La Paz Road
Laguna Niguel, CA 92677

Proposal for Architectural and Engineering Services

Moulton Niguel Water District BTS (Total ± 83,125 GSF)
26161 Gordon Road
Laguna Hills, California

I. Project Description:

Our proposal is based upon the verbal Request for Proposal during meeting on May 4, 2015, and outlines architectural design services for Moulton Niguel Water District's project located in Laguna Hills, California. Ware Malcomb understands the scope of work to include Schematic Design services for the proposed facility identified in The Conceptual Design Package, Scheme 2b dated January 19, 2015, prepared by Ware Malcomb. The purpose of this effort is to re-validate the program provided by MNWD, provide a new Space Plan, and develop the Schematic Design Package for Formal Planning review by the City of Laguna Hills.

A. The following consultants/disciplines are to be included under Ware Malcomb's scope and responsibility.

1. Interior Design (Ware Malcomb)
2. Civil Engineering (Ware Malcomb)
3. Landscape Architecture

B. The following consultants/disciplines are to be included under MNWD's scope and responsibility, however, Ware Malcomb shall coordinate with them for a complete Planning Package.

1. Entitlement/City Agency Expediter (Starpoint Ventures)
2. Geotechnical Engineering
3. Traffic Engineer

II. Site and Shell Building Basic Services:

A. Architectural Schematic Design Phase:

Ware Malcomb will meet with MNWD to discuss and confirm requirements and time schedule, and conduct meetings with the designated representative(s) to layout the formal goals, objectives and scope of the project design. This will include present and future needs, budget, scheduling, Owner review, design approval dates, key design elements to be incorporated into the documents, preliminary selections of major building systems and construction materials, and other parameters pertinent to the project.

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1. Ware Malcomb shall prepare, for approval by MNWD, refined schematic site plans and floor plans, and other documents, which generally illustrate the scale and relationship of project components and indicate site conditions, plan arrangements and the general scope and character of the project for the new building(s). We have included up to three (3) revisions.
2. Address site issues such as parking and circulation, service access, emergency vehicle access and in conjunction with Landscape Architect, hardscaping and landscaping.
3. Refine the Exterior Elevations. The design studies will be presented in 3D Sketch-up renderings over photographs to convey the design concept with material call-outs for the proposed and existing buildings. Included are up to two (2) design study schemes, with up to two (2) refinements to one selected scheme.
4. Review the preliminary plans with appropriate governmental agencies. Code issues, zoning requirements, as well as governmental approval processes will be documented and reviewed with MNWD for planning and action.
5. Attend Pre-Application Meeting with City Planning staff, along with MNWD, to review the preliminary plans with appropriate governmental agencies. Code issues, zoning requirements, as well as governmental approval processes will be documented and reviewed with MNWD for planning and action.
6. Prepare appropriate architectural exhibits, applications and data, and submit plans to local Planning Prepare appropriate exhibits, applications and data, and submit plans to City of Laguna Hills Planning authorities for a Site Development Design Review. Based upon the requirements found in the City of Laguna Hills "Planning Application and Instructions" document, the following architectural exhibits shall be required for the submittal by Ware Malcomb:
 - a. Conceptual Site Plan, including Vicinity Map and Right of Ways.
 - b. Conceptual Floor Plans.
 - c. Colored Conceptual Building Elevations for all sides of all building.
 - d. Site Cross-Sections.
 - e. Color and Material Board.
 - f. Parking Summary
7. Prepare a Preliminary Conceptual Landscape and Hardscape Plan for the development.
8. As part of the design effort Ware Malcomb will create 3-D Sketch-up images showing the development from several viewpoints in order to satisfy neighboring residential community. Included are up to three (3) views. Attend up to two (2) neighborhood community meetings with MNWD.
9. All other exhibits, studies and reports that may be required for submittal such as Traffic Studies, Noise Studies, Biological Studies, Air Quality Studies, Archeological Studies, Environmental Studies or EIRs, and/or Title Notification maps, Mailing lists and Labels shall be prepared by others.

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10. Attend up to one (1) each of Planning Review Meeting, Planning Commission, and/or City Council meeting, as requested by MNWD.
11. Provide adequate concept drawings, notes and information for MNWD to generate a conceptual construction estimate.
12. Assist with the development of a conceptual construction phasing plan.
13. Attend up to four (4) design meetings and/or MNWD Board Meetings as requested by MNWD.

III. Interior Tenant Improvements (Office and Shops/Fleet/Warehouse)

A. Interiors Conceptual Design Phase:

MNWD has expressed a desire to re-visit the program requirements and to review and adjust the Space Plan accordingly based upon meetings and comments with the MNWD Board. Ware Malcomb will modify the Space Plans contained in the Conceptual Design Package, Scheme 2b dated January 19, 2015, prepared by Ware Malcomb.

1. Programming validation:

Meet with MNWD in order to establish a summary of interior spaces, the location and circulation of personnel, lighting and furniture requirements, finishes, and budget constraints. We have included up to two (2) meetings for this effort.

- a. Functional Requirements.
- b. Adjacencies.
- c. Special Requirements.
- d. Image.
- e. Circulation.

2. Space Planning:

- a. Based on the interior development program, provide a space plan, which will indicate the location of all rooms, circulation paths, partitions, doors and a suggested furniture layout (furniture shall be blocked out for open areas and further defined in design development). We will include reasonable revisions to the space plan (one (1) major changing a maximum of 30% of the space, and two (2) minor revisions changing less than 20% of the space maximum).
- b. Review the plans for conformance to codes and make recommendations as necessary to meet local building department requirements.
- c. In addition to graphic representations of the plan, any (i.e., cabinetry, lighting, finishes) or other conditions that might affect the build-out costs are outlined so that a contractor can assemble a preliminary budget cost for the project.
- d. Included are up to two (2) meetings.
- e. This fee includes the revision to Space Plans prepared previously in February 2015.

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B. Schematic Design Phase (Optional Service):

Ware Malcomb shall provide the Schematic Design for the areas outlined above through the following:

1. Based on the program, refined space plan and MNWD standards, Ware Malcomb shall provide sketches and loose material selections to communicate concepts and ideas for the space outlined above. These shall be reviewed with MNWD for conformance to their image for each area.
2. In addition to graphic representations of the space plan, cabinetry, lighting, finishes, etc., or other conditions that might affect the build-out costs are outlined so that a contractor can assemble a budget cost.
3. Upon approval, Ware Malcomb shall prepare Preliminary Pricing Plans including additional information for MNWD's General Contractor to provide a preliminary budget price. Pricing plans shall include:
 - a. Floor/Power Plan
 - b. Reflected Ceiling Plan
 - c. Finish Plan
4. Ware Malcomb shall review the budget pricing prepared by a designated Contractor and present costs to MNWD for review.

IV. Basic Services - Civil Engineering:**A. Survey Phase**

1. Supplemental Topographic Survey: Client will provide digital file of the aerial topography. Ware Malcomb will field survey the drained pond areas (approximately 3 acres total) and update the aerial topography providing spot elevations and contours.

B. Preliminary Engineering Phase (Planning Phase):

1. Updated Site Optimization Modeling: Using the updated topography and the desired site plan as supplied by the Architect, Ware Malcomb will develop a conceptual design model for optimization processing relative to site construction costs. The optimized model shall result in a preliminary design that shall include finish floor elevations, proposed subgrades, and a preliminary construction takeoff cost report. National unit cost averages will be used in site optimization modeling using client has updated cost information.
2. Conceptual Grading Plan: Prepare a Conceptual Grading Plan that includes contour grading, building pads and site drainage. This includes performing a preliminary earthwork calculation based on the proposed contours and existing grades.
3. Conceptual Utility Plan: Prepare a Conceptual Utility Plan which will include the routing of new proposed sewer, domestic water, fire water, non-potable water, and the site storm drain system. If applicable, coordinate with the client's Dry Utility Consultant regarding the location of existing and proposed on-site electrical service, cable and telephone feeds, and natural gas lines.

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4. Preliminary WQMP: Prepare a preliminary water quality management plan discussing the methods of treating the post construction storm water runoff for approval by the reviewing jurisdiction.
5. Preliminary Detention Pond Sizing and Design: An analysis of the required detention pond volume will be prepared based on local jurisdictional criteria. Included in this analysis will be the detention pond location, sizing, and preliminary outlet structure design.
6. Planning Package: Assist Architect with approvals and supply the above plans and reports in the format required by the local Agency.
7. Project Meetings: Attend required meetings with the Client, Architect, Contractor and/or Agency officials as requested.

V. Excluded Services:

Ware Malcomb will not provide the services listed below.

- A. Soils engineering, studies, or reports.
- B. Permits or Agency fees.
- C. Special studies such as Traffic, Noise, Utility or Environmental studies.
- D. Hazardous materials identification, storage, or abatement.
- E. Confirmation and/or verification of the accuracy and/or completeness of documents or information received from others.

VI. Supplemental Services:

The following items are not contemplated or included within Ware Malcomb's Scope or Fee. Ware Malcomb may perform certain services among the list below as an additional service and for an additional fee.

- A. Tentative Map, Lot Line Adjustments , Creation of Easements.
- B. Design Development, Contract Documents and Contract administration services.
- C. Structural, Mechanical, Plumbing and Electrical Engineering design and documents.
- D. Signage or Public Art selection.
- E. Professional Perspective or 3D Renderings or Physical Models.
- F. Graphic Design services such as Identity/Logo, Stationery System, Branding, Marketing Materials/Leasing Brochures, Website, Multi-Media Presentations, and Environmental Graphics.
- G. Cost Estimating Services or Value Engineering.
- H. BOMA Calculations.
- I. LEED Design, Applications and Management Services.
- J. Any and all other services not specifically described as part of Basic Services.

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VII. Compensation:

Compensation for Basic Services shall be an hourly not-to-exceed fee of **Sixty Six Thousand Five Hundred Dollars (\$66,500.00), plus reimbursable expenses**. Ware Malcomb will notify the Owner when we are approaching the not-to-exceed fee, and will request additional incremental fee at that time to continue services. Ware Malcomb shall invoice for services on a monthly basis.

A.	Architectural Schematic Design Phase		Approximate Hours
	Architectural Schematic/Entitlement Package	\$14,500.00	121
	3-D Sketchup views for Neighborhood Community meetings	\$ 4,500.00	38
	Landscape Architecture	<u>\$ 2,100.00</u>	18
	Sub-Total Schematic Design/Entitlement Package	\$21,100.00	
B.	Interior Design Basic Services (Office Building):		
	Program Validation	\$ 2,000.00	17
	Previously revised Space Plan	\$ 1,000.00	8
	Additional Conceptual Space Planning	<u>\$ 5,000.00</u>	42
	Sub-Total Interior Design Office	\$ 8,000.00	
C.	Interior Design Basic Services (Shops/Fleet/Warehouse):		
	Program Validation	\$ 500.00	4
	Conceptual Space Plan	<u>\$ 1,500.00</u>	12
	Sub-Total Interior Design Shops/Fleet/Warehouse	\$ 2,000.00	
D.	Civil Engineering		
	Topographic Survey	\$ 5,000.00	42
	Preliminary Drainage Study	\$ 8,400.00	70
	Preliminary Engineering	<u>\$22,000.00</u>	183
	Sub-Total Civil Engineering	\$35,400.00	
E.	Total Basic Services Fee	\$66,500.00	555
F.	Optional Fees and Allowances		
	Eye Level Professional Rendering	\$ 3,500.00/EA	
	Aerial Professional Rendering	\$ 6,000.00/EA	
	Interior Design Schematic Design Hourly Allowance	\$16,000.00	

WARE MALCOMB
Leading Design for Commercial Real Estate

V. Hourly Rates Schedule:

The following is Ware Malcomb's Hourly Rate Schedule:

CEO/President	\$300/hr
Vice President	\$250/hr
Principal	\$225/hr
Director	\$150-200/hr
Studio Manager	\$125-150/hr
Sr. Project Architect/Sr. Project Mgr./Sr. Project Designer	\$120-150/hr
Project Manager/Architect	\$110-120/hr
Senior Project Coordinator	\$85-100/hr
Designer	\$75-95/hr
Project Coordinator/Designer	\$85-90/hr
Production Coordinator	\$75/hr
Admin./Clerical	\$65/hr

VIII. Reimbursable Expenses:

Standard expenses, such as those listed in Ware Malcomb's General Terms of Agreement are in addition to our fees. Reimbursable expenses for such things as printing, plotting, renderings requested by Owner, postage and handling, delivery costs, travel and mileage, reproductions and facsimiles, are charged at the standard rate of cost plus fifteen percent (15%).

A Reimbursable Expense Allowance of \$6,500 is suggested.

IX. Payment to Ware Malcomb:

All payments shall be due upon receipt of invoice. Billings shall be based on a percentage of completion on a Phase basis.

If this proposal meets with your approval, please let us know and we will proceed with preparation of our Agreement for Professional Services.

Thank you for this opportunity and we look forward to working with you.

Best regards,

Ware Malcomb



Tom Myers, AIA LEED AP
Principal, Commercial Architecture

[tjm]

- architecture
- planning
- interiors
- graphics
- civil engineering

Amendment #2

Date: 07-26-2016 Project Name: M.N.W.D. Gordon Road
 Contract No: OM14-15.022

To: Matt Collins Project No.: IRV14-0198-01
 Assistant General Manager
 Moulton Niguel Water District

No.: #2 From: Mike Mladenoff

Reason for change:

- Client request
- Budgeted item not shown on bid set
- Omitted from original plan
- Other:

General Description of Changes:

This proposal is a request to increase the Time & Material allowance for Architectural and Engineering Services to include the following changes to the existing scope of work:

- A. For Design Services performed pursuant to an 3/19/2016 approval to proceed received from Newport Real Estate Services:
 - 1. Produce a new concept grading plan that lowers the administration buildings pad elevation approximately 4'-0" or to the minimum allowed by existing storm drainage connection requirements: **\$5,900**
 - 2. Incorporate input from a mechanical designer in the development of an Administrative Building site design scheme that does not require and/or minimizes the height and footprint of rooftop mechanical equipment: **\$1,000**

Total Item "A" T&M Allowance: \$6,900

- B. For Design Services requested by Newport Real Estate Services on 7/13/16 in response to City Planning Department review comments:
 - 1. Per marked floor plan transmitted to Ware Malcomb by Newport Realty, revise Planning Department submittal site and floor plans and exterior elevations; exhibits from site sections and views from the cul-de-sac and adjacent residents of Fleet Services Building C as required to enclose the covered open sided storage yard; move generator enclosure to the south side of Shops Building B and provide a 20'-0" minimum side yard setback: **\$6,000**
 - 2. Revise Planning Department submittal Civil site plans as required to coordinate with above listed revisions to Architectural site and floor plans: **\$3,900**

Total Item "B" T&M Allowance: \$9,900

Compensation for the requested Additional Services shall be a fee allowance increase of **Sixteen Thousand Eight Hundred Dollars (\$16,800.00 (Items A+B))** plus reimbursable expenses.

10 edelman
 irvine. california
 92618
 p 949.660.9128
 f 949.863.1581

#12.

Fee Summary:

Original Contract	\$25,500.00
Amendment No. 1 Allowance	\$98,500.00
Item A Allowance Increase	\$6,900.00
Item B Allowance Increase	\$9,900.00
New Total T&M Fee Allowance:	\$140,800.00

If this proposal meets with your approval, please let us know and we will proceed with preparation of the Amendment to our Agreement for Professional Services.

Best Regards,

Ware Malcomb



Mike Mladenoff
Senior Project Manager



STAFF REPORT

TO: Board of Directors **MEETING DATE:** August 17, 2016

FROM: Matt Collings, Assistant General Manager
Jane Nguyen, Information Technology Manager

SUBJECT: Copier Leasing and Printing Services

DIVISION: District-Wide

SUMMARY:

Issue: Board approval is required to enter into a lease and services agreement for copier leasing and printing services.

Recommendation: It is recommended that the Board of Directors authorize the General Manager to execute the three-year Lease Agreement (the "Lease") in the amount of \$100,692 for copier leasing and a three-year Service and Maintenance Agreement for printer and copier services in the amount of \$60,000 with Kyocera Document Solutions America, Inc. ("Kyocera").

Fiscal Impact: Sufficient funds are budgeted in the applicable Fiscal Year budgets.

BACKGROUND:

The District's five-year lease and service agreement with So-Cal Office Technologies for its printers, copiers and maintenance service is expiring. The District currently has a combined twenty printers/copiers between its 2A and Main office locations. With the expiration of the current lease, staff received proposals to lease new machines, negotiate cost per page, and acquire a new large format copier for the District's printing/copying needs related to records, construction drawings and maps.

DISCUSSION:

Requirements and specifications for the equipment were developed by the District's Information Technology staff in conjunction with staff throughout the organization to meet the demonstrated needs of the District. A request for quotation was issued to

#13.

Equipment Leasing and Printing

August 17, 2016

Page 2 of 2

eleven suppliers; ten of which responded. After a thorough review of submitted proposals, three suppliers met all requested specifications with regard to performance, capacity and capability of the equipment. The table below summarizes the three proposals received:

Supplier	Monthly Lease Quote	Per Page Fee
CBE	\$2,387.00	\$.0050
Kyocera	\$2,797.00	\$.0048
Promac	\$2,943.77	\$.0065

Staff performed a thorough review of the proposals received to determine the overall best value. Staff is recommending Kyocera based on the quality of their machines, the ability to lease directly through the manufacturer rather than a third party, references, and the lowest per-page fee of the three proposals.

Staff recommends the Board authorize the General Manager to execute a three-year lease agreement in the amount of \$100,692 for lease of the equipment, and a three-year Service and Maintenance Agreement for printing and copier services, to include per-page copy fees, service calls, and toner, in the amount of \$60,000 with Kyocera, based on cost, overall solution quality, and satisfaction of District's requirements.

Attachments: 1. Equipment Lease
2. Service and Maintenance Agreement

Equipment Lease Agreement # _____

EQUIPMENT		
Equipment MFG Model & Description	Serial Number	Accessories
<u>2 (Two) TASKalfa 7551ci, 2 (Two) TASKalfa 4551ci</u>	_____	_____
<u>6 (Six) TASKalfa 4501i, 1 (One) KIP 860 Clr. W. Format</u>	_____	_____
<u>& 10 (Ten) FS-4200DN</u>	_____	_____
<input type="checkbox"/> See attached schedule for additional Equipment / Accessories		

Billing Address: Moulton Niguel Water District, 26161 Gordon Rd. Laguna Hills, CA 92653 (949) 831-2500
 Equipment Location: _____

SUPPLIER	TRANSACTION TERMS
Kyocera Document Solutions America, Inc. 14101 Alton Parkway Irvine, CA 92618	Purchase Option: Fair Market Value
	Lease Payment: \$ <u>2,797</u> (plus applicable taxes) Term: <u>36</u> (months)
	Billing Period: <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annually <input type="checkbox"/> Annually (Monthly if not checked)
	The following additional payments are due on the date this Lease is signed by you:
	Advance Payment: \$ <u>0</u> (plus applicable taxes) Applied to: <input type="checkbox"/> First <input type="checkbox"/> Last
	Document Fee: \$75.00 (included on first invoice)

YOU HAVE SELECTED THE EQUIPMENT. THE SUPPLIER AND ITS REPRESENTATIVES ARE NOT AGENTS OF ANY ASSIGNEE OF LESSOR AND ARE NOT AUTHORIZED TO MODIFY THE TERMS OF THIS LEASE. YOU ARE AWARE OF THE NAME OF THE MANUFACTURER OF EACH ITEM OF EQUIPMENT AND YOU WILL CONTACT EACH MANUFACTURER FOR A DESCRIPTION OF YOUR WARRANTY RIGHTS. WE MAKE NO WARRANTIES TO YOU, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY OR OTHERWISE. WE PROVIDE THE EQUIPMENT TO YOU AS-IS. YOU AGREE TO USE THE EQUIPMENT ONLY IN THE LAWFUL CONDUCT OF YOUR BUSINESS, AND NOT FOR PERSONAL, HOUSEHOLD OR FAMILY PURPOSES. WE SHALL NOT BE LIABLE FOR CONSEQUENTIAL OR SPECIAL DAMAGES. WE MAKE NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO THE LEGAL, TAX OR ACCOUNTING TREATMENT OF THIS LEASE AND YOU ACKNOWLEDGE THAT WE ARE AN INDEPENDENT CONTRACTOR AND NOT A FIDUCIARY OF LESSEE. YOU WILL OBTAIN YOUR OWN LEGAL, TAX AND ACCOUNTING ADVICE RELATED TO THIS LEASE AND WILL MAKE YOUR OWN DETERMINATION OF THE PROPER LEASE TERM FOR ACCOUNTING PURPOSES.

EXCEPT AS PROVIDED IN SECTION 2, YOUR PAYMENT OBLIGATIONS ARE ABSOLUTE AND UNCONDITIONAL AND ARE NOT SUBJECT TO CANCELLATION, REDUCTION OR SETOFF FOR ANY REASON WHATSOEVER. BOTH PARTIES AGREE TO WAIVE ALL RIGHTS TO A JURY TRIAL. THIS LEASE SHALL BE DEEMED FULLY EXECUTED AND PERFORMED IN THE STATE OF LESSEE'S PRINCIPAL PLACE OF BUSINESS AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH SUCH LAWS.

TO HELP THE GOVERNMENT FIGHT THE FUNDING OF TERRORISM AND MONEY LAUNDERING ACTIVITIES, FEDERAL LAW REQUIRES ALL FINANCIAL INSTITUTIONS TO OBTAIN, VERIFY AND RECORD INFORMATION THAT IDENTIFIES EACH PERSON WHO OPENS AN ACCOUNT. WHAT THIS MEANS TO YOU: WHEN YOU OPEN AN ACCOUNT, WE WILL ASK FOR YOUR NAME, ADDRESS AND OTHER INFORMATION THAT WILL ALLOW US TO IDENTIFY YOU. WE MAY ALSO ASK TO SEE IDENTIFYING DOCUMENTS.

BY SIGNING THIS LEASE, YOU ACKNOWLEDGE RECEIPT OF PAGES 1 AND 2 OF THIS LEASE, AND AGREE TO THE TERMS ON PAGES 1 AND 2. ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE. TO PROTECT YOU AND US FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.

TERMS AND CONDITIONS

1. **COMMENCEMENT OF LEASE.** Commencement of this Lease and acceptance of the Equipment shall occur upon delivery of the Equipment to you ("Commencement Date"). To the extent that the Equipment includes intangible property or associated services such as periodic software licenses and prepaid database subscription rights, such intangible property shall be referred to as "Software". You understand and agree that we have no right, title or interest in the Software and you will comply throughout the Term of this Lease with any license and/or other agreement ("Software License") entered into with the supplier of the Software ("Software Supplier"). You are responsible for entering into any Software License with the Software Supplier no later than the Commencement Date of this Lease. You agree to inspect the Equipment upon delivery and verify by telephone or in writing such information as we may require. If you signed a purchase order or similar agreement for the purchase of the Equipment, by signing this Lease you assign to us all of your rights, but none of your obligations under it. All attachments, accessories, replacements, replacement parts, substitutions, additions and repairs to the Equipment shall form part of the Equipment under this Lease.

2. **LEASE PAYMENTS.** You agree to remit to us the Lease Payment and all other sums when due and payable each Billing Period at the address we provide to you from time to time. You agree that you will remit payments to us in the form of company checks (or personal checks in the case of sole proprietorships), direct debit or wires only. You also agree cash and cash equivalents are not acceptable forms of payment for this Lease and that you will not remit such forms of payment to us. Payment in any other form may delay processing or be returned to you. Furthermore, only you or your authorized agent as approved by us will remit payments to us. Lease Payments will include any freight, delivery, installation and other expenses we finance on your behalf at your request. Lease Payments are due whether or not you receive an invoice. You authorize us to adjust the Lease Payments by not more than 15% to reflect any reconfiguration of the Equipment or adjustments to reflect applicable sales taxes or the cost of the Equipment by the manufacturer and/or Supplier.

NON-APPROPRIATION OF FUNDS. You intend to remit to us all Lease Payments and other payments for the full Term if funds are legally available. In the event you are not granted an appropriation of funds at any time during the Term for the Equipment or for equipment which is functionally similar to the Equipment and operating funds are not otherwise available to you to pay Lease Payments and other payments due and to become due under this Lease, and there is no other legal procedure or available funds by or with which payment can be made to us, and the non-appropriation did not result from an act or omission by you, you shall have the right to return the Equipment in accordance with Section 11 of this Lease and terminate this Lease on the last day of the fiscal period for which appropriations were received without penalty or expense to you, except as to the portion of the Lease Payments for which funds shall have been appropriated and budgeted. At least thirty (30) days prior to the end of your fiscal period, your chief executive officer (or legal counsel) shall certify in writing that: (a) funds have not been appropriated for the fiscal period; (b) such non-appropriation did not result from any act or failure to act by you; and (c) you have exhausted all funds legally available to pay Lease Payments. If you terminate this Lease because of a non-appropriation of funds, you may not purchase, lease or rent, during the subsequent fiscal period, equipment performing the same functions as, or functions taking the place of, those performed by the Equipment provided, however, that these restrictions shall not be applicable if or to the extent that the application of these restrictions would affect the validity of this Lease. This Section 2 shall not permit you to terminate this Lease in order to acquire any other Equipment or to allocate funds directly or indirectly to perform essentially the application for which the Equipment is intended.

3. **LEASE CHARGES.** You agree to: (a) pay all costs and expenses associated with the use, maintenance, servicing, repair or replacement of the Equipment; (b) pay all fees, assessments, taxes and charges governmentally imposed upon Lessor's purchase, ownership, possession, leasing, renting, operation, control or use of the Equipment and pay all premiums and other costs of insuring the Equipment; (c) reimburse us for all costs and expenses incurred in enforcing this Lease; and (d) pay all other costs and expenses for which you are obligated under this Lease ((a) through (d) collectively referred to as "Lease Charges"). NOTWITHSTANDING THE FACT THAT YOU MAY BE EXEMPT FROM THE PAYMENT OF PERSONAL PROPERTY TAXES, you acknowledge that as the owner of the Equipment, we may be required to pay personal property taxes, and you agree, at our discretion, to either: (1) reimburse us for all personal property and other similar taxes and governmental charges associated with the ownership, possession or use of the Equipment when billed by the jurisdictions; or (2) remit to us each Billing Period our estimate of the pro-rated equivalent of such taxes and governmental charges. In the event that the Billing Period sums includes a separately

Continued on Page 2

LESSOR ("We", "Us")	LESSEE ("You")
Kyocera Document Solutions America, Inc. By: X _____ Name: _____ Title: _____ Date: _____	Moulton Niguel Water District (Lessee Full Legal Name) By: X _____ Name: _____ Title: _____ Date: _____ Federal Tax ID: _____

estimate of personal property and other similar taxes, you acknowledge and agree that such amount represents our estimate of such taxes that will be payable with respect to the Equipment during the Term. As compensation for our internal and external costs in the administration of taxes related to each unit of Equipment, you agree to pay us a "Tax Administrative Fee" equal to \$12 per unit of Equipment per year during the Term, not to exceed the maximum permitted by applicable law. The Tax Administrative Fee, at our sole discretion, may be increased by an amount not exceeding 10% thereof for each subsequent year of the Term to reflect our increased cost of administration and we will notify you of any such increase by indicating such increased amount in the relevant invoice or in such other manner as we may deem appropriate. We may take on your behalf any action required under this Lease which you fail to take, and upon receipt of our invoice you will promptly pay our costs (including insurance premiums and other payments to affiliates), plus reasonable processing fees. Restrictive endorsements on checks you send to us will not reduce your obligations to us. We may charge you a return check or non-sufficient funds charge of \$25 for any check which is returned by the bank for any reason (not to exceed the maximum amount permitted by law).

4. **LATE CHARGES.** For any payment which is not received within three (3) days of its due date, you agree to pay a late charge not to exceed the higher of 10% of the amount due or \$35 (not to exceed the maximum amount permitted by law) as reasonable collection costs.

5. **OWNERSHIP, USE, MAINTENANCE AND REPAIR.** We own the Equipment and you have the right to use the Equipment under the terms of this Lease. If this Lease is deemed to be a secured transaction, you grant us a first priority security interest in the Equipment to secure all of your obligations under this Lease. We hereby assign to you all our rights under any manufacturer and/or supplier warranties, so long as you are not in default hereunder. You must keep the Equipment free of liens. You may not remove the Equipment from the address indicated on page 1 of this Lease without first obtaining our approval. You agree to: (a) keep the Equipment in your exclusive control and possession; (b) use the Equipment in conformity with all insurance requirements, manufacturer's instructions and manuals; (c) keep the Equipment repaired and maintained in good working order and as required by the manufacturer's warranty, certification and standard full service maintenance contract; and (d) give us reasonable access to inspect the Equipment and its maintenance and other records.

6. **INDEMNITY.** You are responsible for all losses, damages, claims, infringement claims, injuries and attorneys' fees and costs, including, without limitation, those incurred in connection with responding to subpoenas, third party or otherwise ("Claims"), incurred or asserted by any person, in any manner relating to the Equipment, including its use, condition or possession. You agree to defend and indemnify us against all Claims, although we reserve the right to control the defense and to select or approve defense counsel. This indemnity continues beyond the termination of this Lease for acts or omissions which occurred during the Term of this Lease. You also agree that this Lease has been entered into on the assumption that we are the owner of the Equipment for U.S. federal income tax purposes and will be entitled to certain U.S. federal income tax benefits available to the owner of the Equipment. You agree to indemnify us for the loss of any U.S. federal income tax benefits resulting from the failure of any assumptions in this Lease to be correct or caused by your acts or omissions inconsistent with such assumption or this Lease. In the event of any such loss, we may increase the Lease Payments and other amounts due to offset any such adverse effect.

7. **LOSS OR DAMAGE.** If any item of Equipment is lost, stolen or damaged you will, at your option and cost, either: (a) repair the item or replace the item with a comparable item reasonably acceptable to us; or (b) pay us the sum of: (i) all past due and current Lease Payments and Lease Charges; (ii) the present value of all remaining Lease Payments and Lease Charges for the effected item(s) of Equipment, discounted at the rate of 6% per annum (or the lowest rate permitted by law, whichever is higher); and (iii) the Fair Market Value of the effected item(s) of Equipment. We will then transfer to you all our right, title and interest in the effected item(s) of Equipment AS-IS AND WHERE-IS, WITHOUT ANY WARRANTY AS TO CONDITION, TITLE OR VALUE. Insurance proceeds shall be applied toward repair, replacement or payment hereunder, as applicable. In this Lease, "Fair Market Value" of the Equipment means its fair market value at the end of the Term, assuming good order and condition (except for ordinary wear and tear from normal use), as estimated by us. No such loss or damage shall relieve you of your payment obligations hereunder.

8. **INSURANCE.** You agree, at your cost, to: (a) keep the Equipment insured against all risks of physical loss or damage for its full replacement value, naming us as loss payee; and (b) maintain public liability insurance, covering personal injury and Equipment damage for not less than \$300,000 per occurrence, naming us as additional insured. The policy must be issued by an insurance carrier acceptable to us, must provide us with not less than 15 days' prior written notice of cancellation, non-renewal or amendment, and must provide deductible amounts acceptable to us. If you do not provide acceptable insurance, we have the right but no obligation to obtain insurance covering our interest (and only our interest) in the Equipment for the Lease Term and any renewals. Any insurance we obtain will not insure you against third party or liability claims and may be cancelled at any time. In the event that we elect to obtain such insurance, you will be required to pay us an additional amount each Billing Period for the cost of such insurance and an administrative fee, the cost of which insurance and administrative fee may be more than the cost to obtain your own insurance and on which we may make a profit.

9. **DEFAULT.** You will be in default under this Lease if: (a) you fail to remit to us any payment within ten (10) days of the due date or breach any other obligation under this Lease; (b) a petition is filed by or against you or any guarantor under any bankruptcy or insolvency law; (c) any representation made by you is false or misleading in any material respect; (d) you become insolvent, are liquidated or dissolved, merge, transfer a material portion of your ownership interest or assets, stop doing business, or assign rights or property for the benefit of creditors; or (e) you default under any other agreement with us or our assignees.

10. **REMEDIES.** If you default, we may do one or more of the following: (a) recover from you, AS LIQUIDATED DAMAGES FOR LOSS OF BARGAIN AND NOT AS A PENALTY, the sum of: (i) all past due and current Lease Payments and Lease Charges; (ii) the present value of all remaining Lease Payments and Lease Charges, discounted at the rate of 6% per annum (or the lowest rate permitted by law, whichever is higher); and (iii) the Fair Market Value of the Equipment; (b) declare any other agreements between us in default; (c) require you to return all of the Equipment in the manner outlined in Section 11, or take possession of the Equipment, in which case we shall not be held responsible for any losses directly or indirectly arising out of, or by reason of the presence and/or use of any and all proprietary information residing on or within the Equipment, and to lease or sell the Equipment or any portion thereof, and to apply the proceeds, less reasonable selling and administrative expenses, to the amounts due hereunder; (d) charge you interest on all amounts due us from the due date until paid at the rate of 1-1/2% per month, but in no event more than the lawful maximum rate; and (e) charge you for expenses incurred in connection with the enforcement of our remedies including, without limitation, repossession, repair and collection costs, attorneys' fees and court costs. These remedies are cumulative, are in addition to any other remedies provided for by law, and may be exercised concurrently or separately. Any failure or delay by us to exercise any right shall not operate as a waiver of any other right or future right.

11. **END OF TERM OPTIONS: RETURN OF EQUIPMENT.** At the end of the Term and upon 30 days prior written notice to us, you shall either: (a) return all, but not less than all, of the Equipment; or (b) purchase all, but not less than all, of the Equipment AS-IS AND WHERE-IS, WITHOUT ANY WARRANTY AS TO CONDITION, TITLE OR VALUE, for the Fair Market Value, plus applicable sales and other taxes. If you do not provide us with such written notice and either return all of the Equipment or purchase all of the Equipment at the end of the Term, then this Lease will automatically renew on a month-to-month basis and all of the provisions of this Lease shall continue to apply, including, without limitation, your obligations to remit Lease Payments, Lease Charges and other charges, until all of the Equipment is either returned to us (either because we demand return of the Equipment or you decide to return the Equipment) or purchased by you for the applicable Fair Market Value, plus applicable sales and other taxes, in accordance with the terms hereof. If you are in default (or a non-appropriation of funds occurs), or you do not purchase the Equipment at the end of the Term (or the Renewal Term), you shall: (1) return all of the Equipment, freight and insurance prepaid at your cost and risk, to wherever we indicate in the continental United States, with all manuals and logs, in good order and condition (except for ordinary wear and tear from normal use), packed per the shipping company's specifications; and (2) securely remove all data from any and all disk drives or magnetic media prior to returning the Equipment (and you are solely responsible for selecting an appropriate removal standard that meets your business needs and complies with applicable laws). You will pay us for any loss in value resulting from the failure to maintain the Equipment in accordance with this Lease or for damages incurred in shipping and handling.

12. **ASSIGNMENT.** You may not assign or dispose of any rights or obligations under this Lease or sublease the Equipment without our prior written consent. We may, without notifying you: (a) assign all or any portion of this Lease or our interest in the Equipment; and (b) release information we have about you and this Lease to the manufacturer, Supplier or any prospective investor, participant or purchaser of this Lease. If we do make an assignment under subsection 12(a) above, our assignee will have all of our rights under this Lease, but none of our obligations. You agree not to assert against our assignee claims, offsets or defenses you may have against us.

13. **MISCELLANEOUS.** Notices must be in writing and will be deemed given five (5) days after mailing to your (or our) business address. You represent that: (a) you are the entity indicated in this Lease; (b) any documents required to be delivered in connection with this Lease (collectively, the "Documents") have been duly authorized by you in accordance with all applicable laws, rules, ordinances and regulations; (c) the Documents are valid, legal, binding agreements, enforceable with their terms and the person(s) signing the Documents have the authority to do so, are acting with the full authorization of your governing body, and hold the offices indicated below their signatures; (d) the Equipment is essential to the immediate performance of a governmental or proprietary function by you within the scope of your authority and shall be used during the Term only by you to perform such function; (e) you intend to use the Equipment for the entire Term and shall take all necessary action to include in your annual budget any funds required to fulfill your obligations each fiscal period during the Term; (f) you have complied fully with all applicable law governing open meetings, public bidding and appropriations, required in connection with this Lease and the debt under applicable state law; (g) your obligations to remit Lease Payments constitutes a current expense and not a debt under applicable state law; (h) this Lease is binding on you and your successors and assigns; and (i) all financial information you have provided is true and a reasonable representation of your financial condition. This Lease: (i) constitutes the entire agreement of the parties with respect to the subject matter thereof; (ii) supersedes all other writings, communications, understandings, agreements, purchase orders, solicitation documents (including, without limitation, any request for proposal and responses thereto and other related documents (together, the "Bid Documents")) and other representations, express or implied ("Prior Understandings"), and may not be contradicted or amended by Prior Understandings; and (iii) may be amended or modified only by written documents duly authorized, executed and delivered by the parties. This Lease is binding on you and your successors and assigns. You authorize us, our agent, or our assignee to: (a) obtain credit reports and make credit inquiries; (b) furnish your information, including credit application, payment history and account information, to credit reporting agencies and our assignees, potential purchasers or investors and parties having an economic interest in this Lease or the Equipment, including, without limitation, the seller, Supplier or any manufacturer of the Equipment; and (c) you irrevocably grant us the power to prepare, sign on your behalf (if applicable), and file, electronically or otherwise Uniform Commercial Code ("UCC") financing statements and any amendments thereto or continuation thereof relating to the Equipment, and containing any other information required by the applicable UCC. Any claim you have against us must be made within two (2) years after the event which caused it. If a court finds any provision of this Lease to be unenforceable, all other terms shall remain in effect and enforceable. You authorize us to insert or correct missing information on this Lease, including your proper legal name, serial numbers and any other information describing the Equipment. If you so request, and we permit the early termination of this Lease, you agree to pay a fee for such privilege. **THE PARTIES INTEND THIS TO BE A "FINANCE LEASE" UNDER ARTICLE 2A OF THE UCC. YOU WAIVE ALL RIGHTS AND REMEDIES CONFERRED UPON A LESSEE BY ARTICLE 2A OF THE UCC. YOU FURTHER HEREBY ACKNOWLEDGE AND AGREE THAT WE AND/OR SUPPLIER MAY MAKE A PROFIT ON ANY AND ALL FEES REFERENCED HEREIN AND, IN SO DOING WAIVE ANY AND ALL CLAIM WHICH YOU MAY HAVE FOR UNJUST ENRICHMENT.** We may receive compensation from the manufacturer and/or Supplier of the Equipment in order to enable us to reduce the cost of this Lease below what we otherwise would charge. If we received such compensation, the reduction in the cost of this Lease is reflected in the Lease Payment.

14. **ELECTRONIC TRANSMISSION OF DOCUMENTATION.** This Lease may be executed in counterparts. The executed counterpart which has our original signature and/or is in our possession shall constitute chattel paper as that term is defined in the UCC and shall constitute the original agreement for all purposes, including, without limitation: (i) any hearing, trial or proceeding with respect to this Lease; and (ii) any determination as to which version of this Lease constitutes the single true original item of chattel paper under the UCC. If you sign and transmit this Lease to us by facsimile or other electronic transmission, the transmitted copy shall be binding upon the parties. You agree that the facsimile or other similar electronic transmission of this Lease manually signed by us, when attached to the facsimile or other electronic copy signed by you, shall constitute the original agreement for all purposes. The parties further agree that, for purposes of executing this Lease, and subject to our prior approval and at our sole discretion: (a) a document signed and transmitted by facsimile or other electronic transmission shall be treated as an original document; (b) the signature of any party on such document shall be considered as an original signature; (c) the document transmitted shall have the same effect as a counterpart thereof containing original signature; and (d) at our request, you, who executed this Lease and transmitted its signature by facsimile or other electronic transmission shall provide the counterpart of this Lease containing your original manual signature to us. No party may raise as a defense to the enforcement of this Lease that a facsimile or other electronic transmission was used to transmit any signature of a party to this Lease.

**MAINTENANCE SERVICE AGREEMENT
BETWEEN MOULTON NIGUEL WATER DISTRICT AND
KYOCERA DOCUMENT SOLUTIONS WEST, LLC; AGREEMENT NO. OM16-17.020**

THIS AGREEMENT is made and entered into on September 1, 2016 (the “Effective Date”), by and between the MOULTON NIGUEL WATER DISTRICT, hereinafter referred to as “MNWD”, and KYOCERA DOCUMENT SOLUTIONS WEST, LLC, hereinafter referred to as “Contractor”. MNWD and Contractor are sometimes hereinafter individually referred to as “Party” and hereinafter collectively referred to as the “Parties”.

RECITALS

- A. MNWD requires printer and copier maintenance services at its 2A Yard and Main Office locations.
- B. Contractor proposes to provide the printer and copier maintenance services and equipment (the “Services”) to MNWD as described in Exhibit A attached hereto and incorporated herein by reference. The scope of work to be performed by Contractor under this Agreement is described in **Exhibit A** hereto, which is incorporated herein as the Service Supply Maintenance Agreement.
- C. Contractor is qualified to accomplish the necessary Services and has agreed to provide such Services to MNWD.

NOW, THEREFORE, in consideration of the promises and mutual benefits, which will result to the Parties in carrying out the terms of this Agreement, it is mutually agreed as follows:

AGREEMENT

1. Maintenance Services and Lease

Section 1.1 Contractor shall provide the Services to MNWD as set forth in Exhibit A which includes the Service Supply Maintenance Agreement. This Agreement, including all attached Exhibits form the Agreement between the parties. Contractor represents and warrants that its provision of Services shall be within accepted standards for such services.

Section 1.2 The lease and use of the equipment (the “Equipment”) is subject to the Equipment Lease Agreement (the “Lease”), which is incorporated herein and attached hereto as **Exhibit B**.

Section 1.3 The Services and Equipment will be provided in accordance with the following contract documents (“Contract Documents”):

- (a) this Agreement;
- (b) the Service Supply Maintenance Agreement;
- (c) the Equipment Lease Agreement; and
- (d) the Proposal (**Attachment 1** to this Agreement).

In the event of any conflict or ambiguity as between the Contract Documents, the Contract Documents will be interpreted in the foregoing order of priority, provided, however, that the Proposal

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will prevail with respect to the description of the features and functionality which is included in the Proposal (the "Functional Requirements").

2. Term.

The Agreement shall commence on the Effective Date and continue through **August 31, 2019** unless otherwise terminated by either party pursuant to Section 6 herein.

3. Time for Completion.

The time for completion of the Services to be performed by Contractor is an essential condition of this Agreement. Contractor shall prosecute regularly and diligently the work of this Agreement according to reasonable schedules established by MNWD. Contractor shall not be accountable for delays in the progress of its work caused by any condition beyond its control and without the fault or negligence of Contractor.

4. Compensation.

MNWD shall pay Contractor total compensation for Services in accordance with the pricing listed in **Exhibit A** and **Exhibit B** to this Agreement. The total compensation paid to Contractor during the term of this Agreement shall not exceed **Sixty Thousand Dollars (\$60,000)** (the "Agreement Maximum Amount"). Notwithstanding the foregoing, the total compensation during each fiscal year of the Agreement term shall not exceed **Twenty Thousand Dollars (\$20,000)** per year.

Contractor shall submit detailed invoices on a monthly basis, based upon services provided, accompanied by backup documentation as requested by MNWD. Contractor shall provide MNWD with a monthly itemization of all work performed, and the fees accrued thereon, in complete and sufficient detail to fully apprise MNWD thereof.

5. Non-Exclusive Agreement.

This is a non-exclusive Agreement. Contractor acknowledges and agrees that MNWD does not guarantee any minimum or maximum amount of Services and MNWD may use other Contractors for the Services in its sole discretion.

6. Termination.

This Agreement may be terminated in the following manner:

- A. Either party may terminate this Agreement in the event the other party has materially breached or defaulted in the performance of any of its obligations hereunder, and such default has continued for thirty (30) days after written notice thereof was provided to the breaching party by the non-breaching party. Any termination shall become effective at the end of such thirty (30) day period unless the breaching party has cured any such breach or default prior to the expiration of such period.
- B. MNWD may terminate the Agreement for Contractor's unsatisfactory performance of services in the event that MNWD provides Contractor written notice of such unsatisfactory performance and such performance issues are not corrected to MNWD's reasonable satisfaction, at its sole discretion, within thirty (30) days. If, after corrective actions have been taken and MNWD remains dissatisfied, MNWD may submit 30 days' written notice of termination Contractor.

C. At any time, without cause, after 12 months by any party upon 60 days' written notice to the other party.

D. Upon the expiration or termination of the Equipment Lease Agreement.

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 work or services hereunder, unless otherwise instructed by MNWD in such notice.

Contractor shall not perform further work under this Agreement after the effective date of suspension until receipt of written notice from MNWD to resume performance. MNWD and 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 4 of this Agreement.

7. Relationship Between the Parties.

A. The relationship between the Parties hereto is that of an independent contractor, and nothing herein shall be deemed to make Contractor a MNWD employee. During the performance of this Agreement, Contractor and its officers, employees, agents, and subcontractors shall act in an independent capacity and shall not act as MNWD officers, employees, or agents. The personnel performing the Services under this Agreement on behalf of Contractor shall at all times be under Contractor's exclusive direction and control. Neither MNWD nor any of its officers, employees, agents, or subcontractors shall have control over the conduct of Contractor or any of its officers, employees, or agents, except as set forth in this Agreement. Contractor, its officers, employees, agents, or subcontractors shall not maintain an office or any other type of fixed business location at MNWD's offices.

B. Contractor shall not incur or have the power to incur any debt, obligation, or liability against MNWD, or bind MNWD in any manner.

C. No MNWD benefits shall be available to Contractor, its officers, employees, agents, or subcontractors in connection with any performance under this Agreement. Except for fees paid to Contractor as provided for in this Agreement, MNWD shall not pay salaries, wages, or other compensation to Contractor for the performance of Services under this Agreement. MNWD shall not be liable for compensation or indemnification to Contractor, its officers, employees, agents, or subcontractors for injury or sickness arising out of performing Services hereunder.

8. 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 MNWD as listed in this Section 8. Contractor shall not commence services under the Agreement until it has obtained all insurance required by the Agreement. Executed certificates of insurance and all required endorsements evidencing the required coverage detailed in this Section 8 shall be provided by Contractor with the Contractor's executed copy of this Agreement, and prior to commencement of any services.

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1. General Liability / Automobile Liability Insurance. Contractor and each of its subcontractors shall maintain throughout the term of this Agreement a General Liability policy of insurance for bodily injury and/or death, personal injury and property damage claims which may arise from or in connection with the performance of the work under this Agreement by Contractor and its subcontractors, and each of their agents, representatives, or employees. CGL must include coverage for liability arising from products-completed operations and liability assumed under an insured contract. Such public liability and property damage insurance (which shall cover claims, injury, death, loss or damage or accidents arising 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 with such aggregate to apply separately to the Project.

All insurance provided under this Section 8.A.1 and 8.A.2 shall name MNWD and its' directors, officers, employees and representatives as additional insureds under each such policy ("additional insureds") and an additional insured endorsement shall be provided in a form acceptable to MNWD.

2. 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 work 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.
3. Requirements of All Policies. All policies of insurance required under this Section 8 shall be from insurance providers who are either admitted or licensed to do business in California, or are Surplus Lines Carriers authorized to do business in California, and who have financial size and ratings of no less than A-, Class VII, and in either case are otherwise acceptable to MNWD. All such policies shall include a provision and executed endorsement for thirty (30) days prior written notice by certified mail, return receipt requested, to MNWD of any cancellation or material alteration of such insurance. 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 work or professional services. The policies required hereunder shall be endorsed to include contractual liability.

B. 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.

C. 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.

D. 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 8 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 MNWD, 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.

9. Indemnity.

A. To the fullest extent permitted by law, Contractor shall indemnify, hold harmless and defend MNWD and each of 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 performance of the Services hereunder, provided that any such claim, damage, losses and expenses is: (a) attributable to bodily injury, personal injury, sickness, disease, or death, or for damage to, or loss or destruction of, property including the loss of use resulting therefrom, and (b) caused or alleged to have been caused in whole or in part by any act or omission of the 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 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 the indemnified parties against any claims, proceedings and demands within the scope of the foregoing indemnity terms.

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

C. This indemnity obligation shall survive the termination or expiration of the Agreement and the completion of the Services hereunder.

10. Compliance with Law.

Contractor certifies by the execution of this Agreement the following: that it pays employees not less than the minimum wage as defined by law and that it does not discriminate in its employment with regard to

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race, color, religion, sex, or national origin. Contractor shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any Services, including but not limited to the satisfaction of any positive obligations required of Contractor thereby.

11. Notices.

All notices or other communications required or permitted hereunder shall be in writing and shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested, delivered or sent by electronic transmission, and shall be deemed received upon the earlier of: (i) the date of delivery to the address of the person to receive such notice if delivered personally or by messenger or overnight courier; (ii) three (3) business days after the date of posting by the United States Post Office if by mail; or (iii) when sent if given by electronic transmission. Any notice, request, demand, direction, or other communication sent by electronic transmission must be confirmed within forty-eight (48) hours by letter mailed or delivered. Notices or other communications shall be addressed as follows:

To MNWD: Correspondence:

 Moulton Niguel Water District
 Attn: Director of Engineering and Operations
 26161 Gordon Road
 Laguna Hills, CA 92653

Invoices:
Moulton Niguel Water District
Attn: Purchasing Department
26161 Gordon Road
Laguna Niguel, CA 92653
Email: invoices@mnwd.com

To CONTRACTOR: Kyocera Document Solutions West, LLC
 Attn: Fred Rezai
 14101 Alton Pkwy
 Irvine, CA 92618

Either Party may, by written notice to the other, designate a different address, which shall be substituted for that specified above.

12. Licenses and Qualifications.

Contractor represents and warrants to MNWD that it has obtained all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession. Contractor represents and warrants to MNWD that Contractor shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any license, permit or approval which is legally required for Contractor to perform its professional duties under this Agreement.

13. Agreement Execution Authorization.

Each of the persons executing this Agreement represent and warrant that they are authorized to sign this Agreement on behalf of the entity for which he/she is signing and empowered to bind such entity.

14. Jurisdiction.

This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure 394. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the Parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be employed in interpreting this Agreement, all Parties having been represented by counsel in the negotiation and preparation hereof.

15. Attorneys' Fees.

If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which he may be entitled.

16. Waiver.

No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought. Any waiver by the Parties of any default or breach of any covenant, condition, and term contained in this Agreement, shall not be construed to be a waiver of any subsequent or other default or breach, nor shall failure by the Parties to require exact, full, and complete compliance with any of the covenants, conditions, or terms contained in this Agreement be construed as changing the terms of this Agreement in any manner or preventing the Parties from enforcing the full provisions hereof.

17. Modifications and Amendments to Agreement.

No modification or amendment of this Agreement or any of the provisions hereof shall be effective for any purpose unless set forth in writing signed by duly authorized representatives of both Parties.

18. Successors in Interest.

This Agreement shall be binding upon and inure to the benefit of the Parties' successors and assignees.

19. Assignments.

No assignment by Contractor of this Agreement or any part hereof, or of funds to be received hereunder, will be recognized by MNWD unless such assignment has had prior written approval and consent of MNWD, which consent will not be unreasonably withheld.

20. Entire Agreement.

This Agreement and its Exhibits constitutes the entire understanding and agreement of the Parties hereto and supersedes all previous negotiations, discussions, and agreements between the Parties with respect to the subject matter hereof. No parol evidence shall be permitted to contradict or vary the terms of this Agreement.

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21. Severability.

Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be invalid under the applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of that provision, or the remaining provisions of this Agreement.

22. Conflicts.

To the extent that there is any conflict between the provisions of this Agreement and any other agreement or document between the parties regarding the subject matter of this Agreement, the terms and conditions of this Agreement shall govern.

IN WITNESS WHEREOF, this Agreement has been executed in the name of MNWD, by its officers thereunto duly authorized, and Contractor as of the Effective Date of the Agreement as defined herein.

MOULTON NIGUEL WATER DISTRICT

By: _____

Joone Lopez
General Manager

Date: _____

KYOCERA DOCUMENT SOLUTIONS WEST, LLC

By: _____

Title: _____

Date: _____

EXHIBIT A

SERVICE SUPPLY MAINTENANCE AGREEMENT

See attached.

SERVICE - SUPPLY - MAINTENANCE AGREEMENT

SHIP TO LOCATION: _____	BILL TO LOCATION: _____
Customer Name <u>Moulton Niguel Water District</u>	Customer Name <u>Moulton Niguel Water District</u>
Address: <u>26161 Gordon Road</u>	Address: <u>26161 Gordon Road</u>
City: <u>Laguna Hills</u> State: <u>Ca</u>	City: <u>Laguna Hills</u> State: <u>Ca</u>
Zip: <u>92677</u> Contact: <u>Brad Daley</u>	Zip: <u>92677</u> Contact: <u>Brad Daley</u>
Phone: <u>(949) 831-2500</u> X	Phone: <u>(949) 831-2500</u> X
e-mail: <u>bdaley@mnwd.com</u>	e-mail: <u>bdaley@mnwd.com</u>
Fax: _____	Fax: <u>0</u>

Coverage Plan

PREMIUM AGREEMENT: X
Includes Toners, Developer, Drums, Image Units, Parts, Labor, Disposal Tanks, PM's and Travel Fees. No Staples.

EXTENDED AGREEMENT:
Includes Drums, Parts, Labor, PM kits and Travel Fees. Excludes toner, image units, disposal tanks and staples.

COLOR PRINTER:
Includes color toner, process units, fuser kits, parts, labor and travel fees. No staples.

FACSIMILE COVERAGE:
Parts, labor. Excludes image units and toner.

Billing Cycle

Annual Semi-Annual
 Quarterly* Monthly*
* \$15 Processing Fee per cycle.
Excess copies billed in arrears of billing cycle.

AGREEMENT START DATE: _____

ANNUAL REVIEW DATE: _____

Original Install Date: _____

Make/Model	Serial #	ID	Annual Copies	Annual Cost*	Overage Rate	Start Meter
10 FS-4200DN	TBD		No Minimum	\$0.0048 B&W		
6 TASKalfa 4501i	TBD		No Minimum	\$0.042 COLOR		
2 TASKalfa 7551ci	TBD					
2 TASKalfa4551ci	TBD					


*plus tax

Customer Approval _____ Date _____

Jul. 29, 2016

KDA _____ Date _____

Printed Name _____ Title _____



KDA _____



ORANGE COUNTY • SAN DIEGO • LOS ANGELES • INLAND EMPIRE • PHOENIX • TUCSON

Terms and Conditions

Service Maintenance Agreement Terms and Conditions

- 1.] Kyocera Document Solutions (KDS) will provide maintenance service for copiers, printers and multi-function machines under the terms of this Agreement for machines specifically listed on the front of this document or an attached Schedule A. Paper and staples are excluded from the Agreement. Installation of toner, staples and toner disposal containers are considered key-operator functions and remain the responsibility of the Customer. This contract is between KDS and Customer and is not valid unless signed by both parties including an authorized KDS Service or Sales Manager. No transfer or assignment of this contract shall occur without written approval by KDS service manager in advance.
- 2.] Customer agrees to provide KDS with network access to remotely monitor (contracted) network connected devices for device status and meter reads throughout the duration of this contract. In the event that Customer declines or terminates network access or more than 20% of the total devices are not connected, KDS reserves the right to increase the rate of this Agreement by 15% for administrative processing. Such processing fee will be added to the contract invoice and illustrated as a Miscellaneous Charge. For non-network devices, customer agrees to provide periodic meter reads (via email) at the intervals illustrated on the front of this Agreement. In cases where customer cannot or does not provide requested meter(s), the meter will be estimated by KDS based on historical usage. If historical data not available, KDS will estimate required meters based on same/similar models on contract.
- 3.] KDS will provide Kyocera brand toner to customers with Premium agreements. KDS will furnish toner in amounts proportionate to Customers contracted page volume illustrated on the reverse of this document. If Customers usage frequently requires significant additional toner, KDS may conduct a usage analysis to determine the cause of the excessive need. Findings of the analysis will be shared with the Customer. If findings reveal that insufficient toner yield is a result of inordinately high toner saturation due to customers specific application, KDS may propose a higher contract rate to proportionately offset the excessive toner coverage. Toner stored at Customers location remains the property of KDS. KDS reserves the right to conduct a physical inventory of stored toner during normal business hours.
- 4.] Service calls provided by this Agreement will be made during KDS's normal business hours which are Monday through Friday between 8:00am – 5:00pm local time, excluding KDA published holidays. Annual KDS holiday schedule will be provided to Customer upon request. KDS's average on-site Response Time is (4) business hours, measured quarterly. Customer agrees to provide adequate operating and maintenance space for machines on this Agreement. Customer agrees to provide manufacturers specified electrical outlet(s) and network cabling including, but not limited to proper voltage, amperage, grounding and dedicated outlets within 7 feet of machine. Maximum length for network patch cables is 300 feet. Maximum length of a USB (printer) cable should not exceed 6 feet.
- 5.] KDS will provide without charge, replacement of parts which have been worn or broken due to normal usage or premature failure due to machine circumstances beyond the control of the Customer. Items requiring replacement due to abuse, neglect, operator error, unauthorized movement, fire, water damage, vandalism, electrical failure or surge or other similar instances or unauthorized service are not covered and will be invoiced at KDS retail rates. Damages to electrical components, circuit boards, etc. are not covered unless the machine is protected by a KDS approved power filter.
- 6.] Movement of covered equipment to an address other than that listed on the front of this Agreement must be authorized by KDS service manager in writing for machine(s) to remain covered by this Agreement. Machines moved outside of KDS's normally covered service zones may be removed from KDS maintenance coverage without refund. KDS reserves the right to impose a surcharge for machines moved within KDS service zone but substantially farther than originally contracted or require coverage by a 3rd party provider.
- 7.] If KDS determines that the equipment covered by this Agreement cannot be repaired by normal maintenance due to extensive total copy volume, advanced age of equipment, or operation in excess of manufacturers' specifications, refurbishment of the machine may become necessary to maintain coverage by this agreement. Refurbishment is not covered under this Agreement and charges must be authorized by Customer to retain coverage by Agreement. If Customer does not authorize refurbishment, KDS may remove said device(s) from the Agreement.
- 8.] All taxes applicable to this Agreement are the responsibility of the Customer. State sales tax will be invoiced by KDS regardless of whether they are specifically illustrated on this document. Tax-exempt Customers must provide KDS with a valid tax-exempt or resale certificate on or before the contract start date.
- 9.] Agreements invoiced monthly or quarterly will be billed an administrative processing fee. If Customer defaults on any payments of this Agreement, KDS shall be entitled to all expenses of collection including reasonable attorney fees, whether or not a suit is brought, plus an interest and finance charge of 1-1/2% per month (18% per annum) or the maximum allowed by law, whichever is less, on the unpaid balance.
- 10.] This Agreement (consisting of front and rear of this document) constitutes the entire Agreement between the Customer and KDS with respect to the service of machines listed on the front side. This Agreement shall be deemed to accurately represent the intent of parties, notwithstanding any variance with the terms and conditions of any order submitted by Customer in respect to KDS service, or any oral representation made by any KDS representative.
- 12.] This Agreement shall remain in full force and effect for successive coverage periods but may be terminated at any time after 12 months by any party with a 60 day written notice to the other party. Customer agrees to pay all charges which may have accrued should Customer cancel the Agreement at a date other than the renewal date which is specified on the front of this document. Unless originally contracted for multiple years at a fixed rate as specified on the front of this Agreement, copy volumes will be reviewed and automatically adjusted accordingly each year. Rates may also be adjusted to reflect volume changes, age of equipment, increased costs to KDS or other circumstances as determined by KDS service manager.
- 13.] This Agreement does not provide coverage, or place liability or obligation to KDS for Customer's computer network operations (LAN, WAN, peer-to-peer, etc.) support, repair, installations, upgrades or failures. KDS responsibilities under this Agreement shall be limited to that of the output devices (printers, multi-functional machines). When necessary for purposes of output device repair, software or firmware upgrades, driver interface installation or similar procedures, Customer agrees to provide KDS technical personnel with assistance by, or access to a qualified Network Administrator at Customers expense. Should such support be unavailable, KDS Managed Network Services may be required to assist an additional fee billed to Customer. Cables, connectors, hubs, routers, switches and similar network components and the support thereof remain the responsibility of the Customer.

Customer Initials / Date

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EXHIBIT B

EQUIPMENT LEASE AGREEMENT

Equipment Lease Agreement # _____

EQUIPMENT	Serial Number	Accessories
Equipment MFG Model & Description <u>2 (Two) TASKalfa 7551ci, 2 (Two) TASKalfa 4551ci</u> <u>6 (Six) TASKalfa 4501i, 1 (One) KIP 860 Clr. W. Format</u> <u>& 10 (Ten) FS-4200DN</u>	_____	_____
<input type="checkbox"/> See attached schedule for additional Equipment / Accessories		

Billing Address: Moulton Niguel Water District, 26161 Gordon Rd. Laguna Hills, CA 92653 (949) 831-2500
 Equipment Location: _____

SUPPLIER	TRANSACTION TERMS
Kyocera Document Solutions America, Inc. 14101 Alton Parkway Irvine, CA 92618	Purchase Option: Fair Market Value Lease Payment: \$ <u>2,797</u> (plus applicable taxes) Term: <u>36</u> (months) Billing Period: <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annually <input type="checkbox"/> Annually (Monthly if not checked) The following additional payments are due on the date this Lease is signed by you: Advance Payment: \$ <u>0</u> (plus applicable taxes) Applied to: <input type="checkbox"/> First <input type="checkbox"/> Last Document Fee: \$75.00 (included on first invoice)

YOU HAVE SELECTED THE EQUIPMENT. THE SUPPLIER AND ITS REPRESENTATIVES ARE NOT AGENTS OF ANY ASSIGNEE OF LESSOR AND ARE NOT AUTHORIZED TO MODIFY THE TERMS OF THIS LEASE. YOU ARE AWARE OF THE NAME OF THE MANUFACTURER OF EACH ITEM OF EQUIPMENT AND YOU WILL CONTACT EACH MANUFACTURER FOR A DESCRIPTION OF YOUR WARRANTY RIGHTS. WE MAKE NO WARRANTIES TO YOU, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY OR OTHERWISE. WE PROVIDE THE EQUIPMENT TO YOU AS-IS. YOU AGREE TO USE THE EQUIPMENT ONLY IN THE LAWFUL CONDUCT OF YOUR BUSINESS, AND NOT FOR PERSONAL, HOUSEHOLD OR FAMILY PURPOSES. WE SHALL NOT BE LIABLE FOR CONSEQUENTIAL OR SPECIAL DAMAGES. WE MAKE NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO THE LEGAL, TAX OR ACCOUNTING TREATMENT OF THIS LEASE AND YOU ACKNOWLEDGE THAT WE ARE AN INDEPENDENT CONTRACTOR AND NOT A FIDUCIARY OF LESSEE. YOU WILL OBTAIN YOUR OWN LEGAL, TAX AND ACCOUNTING ADVICE RELATED TO THIS LEASE AND WILL MAKE YOUR OWN DETERMINATION OF THE PROPER LEASE TERM FOR ACCOUNTING PURPOSES.

EXCEPT AS PROVIDED IN SECTION 2, YOUR PAYMENT OBLIGATIONS ARE ABSOLUTE AND UNCONDITIONAL AND ARE NOT SUBJECT TO CANCELLATION, REDUCTION OR SETOFF FOR ANY REASON WHATSOEVER. BOTH PARTIES AGREE TO WAIVE ALL RIGHTS TO A JURY TRIAL. THIS LEASE SHALL BE DEEMED FULLY EXECUTED AND PERFORMED IN THE STATE OF LESSEE'S PRINCIPAL PLACE OF BUSINESS AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH SUCH LAWS.

TO HELP THE GOVERNMENT FIGHT THE FUNDING OF TERRORISM AND MONEY LAUNDERING ACTIVITIES, FEDERAL LAW REQUIRES ALL FINANCIAL INSTITUTIONS TO OBTAIN, VERIFY AND RECORD INFORMATION THAT IDENTIFIES EACH PERSON WHO OPENS AN ACCOUNT. WHAT THIS MEANS TO YOU: WHEN YOU OPEN AN ACCOUNT, WE WILL ASK FOR YOUR NAME, ADDRESS AND OTHER INFORMATION THAT WILL ALLOW US TO IDENTIFY YOU. WE MAY ALSO ASK TO SEE IDENTIFYING DOCUMENTS.

BY SIGNING THIS LEASE, YOU ACKNOWLEDGE RECEIPT OF PAGES 1 AND 2 OF THIS LEASE, AND AGREE TO THE TERMS ON PAGES 1 AND 2. ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE. TO PROTECT YOU AND US FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.

TERMS AND CONDITIONS

1. **COMMENCEMENT OF LEASE.** Commencement of this Lease and acceptance of the Equipment shall occur upon delivery of the Equipment to you ("Commencement Date"). To the extent that the Equipment includes intangible property or associated services such as periodic software licenses and prepaid database subscription rights, such intangible property shall be referred to as "Software". You understand and agree that we have no right, title or interest in the Software and you will comply throughout the Term of this Lease with any license and/or other agreement ("Software License") entered into with the supplier of the Software ("Software Supplier"). You are responsible for entering into any Software License with the Software Supplier no later than the Commencement Date of this Lease. You agree to inspect the Equipment upon delivery and verify by telephone or in writing such information as we may require. If you signed a purchase order or similar agreement for the purchase of the Equipment, by signing this Lease you assign to us all of your rights, but none of your obligations under it. All attachments, accessories, replacements, replacement parts, substitutions, additions and repairs to the Equipment shall form part of the Equipment under this Lease.

2. **LEASE PAYMENTS.** You agree to remit to us the Lease Payment and all other sums when due and payable each Billing Period at the address we provide to you from time to time. You agree that you will remit payments to us in the form of company checks (or personal checks in the case of sole proprietorships), direct debit or wires only. You also agree cash and cash equivalents are not acceptable forms of payment for this Lease and that you will not remit such forms of payment to us. Payment in any other form may delay processing or be returned to you. Furthermore, only you or your authorized agent as approved by us will remit payments to us. Lease Payments will include any freight, delivery, installation and other expenses we finance on your behalf at your request. Lease Payments are due whether or not you receive an invoice. You authorize us to adjust the Lease Payments by not more than 15% to reflect any reconfiguration of the Equipment or adjustments to reflect applicable sales taxes or the cost of the Equipment by the manufacturer and/or Supplier.

NON-APPROPRIATION OF FUNDS. You intend to remit to us all Lease Payments and other payments for the full Term if funds are legally available. In the event you are not granted an appropriation of funds at any time during the Term for the Equipment or for equipment which is functionally similar to the Equipment and operating funds are not otherwise available to you to pay Lease Payments and other payments due and to become due under this Lease, and there is no other legal procedure or available funds by or with which payment can be made to us, and the non-appropriation did not result from an act or omission by you, you shall have the right to return the Equipment in accordance with Section 11 of this Lease and terminate this Lease on the last day of the fiscal period for which appropriations were received without penalty or expense to you, except as to the portion of the Lease Payments for which funds shall have been appropriated and budgeted. At least thirty (30) days prior to the end of your fiscal period, your chief executive officer (or legal counsel) shall certify in writing that: (a) funds have not been appropriated for the fiscal period; (b) such non-appropriation did not result from any act or failure to act by you; and (c) you have exhausted all funds legally available to pay Lease Payments. If you terminate this Lease because of a non-appropriation of funds, you may not purchase, lease or rent, during the subsequent fiscal period, equipment performing the same functions as, or functions taking the place of, those performed by the Equipment provided, however, that these restrictions shall not be applicable if or to the extent that the application of these restrictions would affect the validity of this Lease. This Section 2 shall not permit you to terminate this Lease in order to acquire any other Equipment or to allocate funds directly or indirectly to perform essentially the application for which the Equipment is intended.

3. **LEASE CHARGES.** You agree to: (a) pay all costs and expenses associated with the use, maintenance, servicing, repair or replacement of the Equipment; (b) pay all fees, assessments, taxes and charges governmentally imposed upon Lessor's purchase, ownership, possession, leasing, renting, operation, control or use of the Equipment and pay all premiums and other costs of insuring the Equipment; (c) reimburse us for all costs and expenses incurred in enforcing this Lease; and (d) pay all other costs and expenses for which you are obligated under this Lease ((a) through (d) collectively referred to as "Lease Charges"). NOTWITHSTANDING THE FACT THAT YOU MAY BE EXEMPT FROM THE PAYMENT OF PERSONAL PROPERTY TAXES, you acknowledge that as the owner of the Equipment, we may be required to pay personal property taxes, and you agree, at our discretion, to either: (1) reimburse us for all personal property and other similar taxes and governmental charges associated with the ownership, possession or use of the Equipment when billed by the jurisdictions; or (2) remit to us each Billing Period our estimate of the pro-rated equivalent of such taxes and governmental charges. In the event that the Billing Period sums includes a separately

Continued on Page 2

LESSOR ("We", "Us")	LESSEE ("You")
Kyocera Document Solutions America, Inc. By: X _____ Name: _____ Title: _____ Date: _____	Moulton Niguel Water District (Lessee Full Legal Name) By: X _____ Name: _____ Title: _____ Date: _____ Federal Tax ID: _____

estimate of personal property and other similar taxes, you acknowledge and agree that such amount represents our estimate of such taxes that will be payable with respect to the Equipment during the Term. As compensation for our internal and external costs in the administration of taxes related to each unit of Equipment, you agree to pay us a "Tax Administrative Fee" equal to \$12 per unit of Equipment per year during the Term, not to exceed the maximum permitted by applicable law. The Tax Administrative Fee, at our sole discretion, may be increased by an amount not exceeding 10% thereof for each subsequent year of the Term to reflect our increased cost of administration and we will notify you of any such increase by indicating such increased amount in the relevant invoice or in such other manner as we may deem appropriate. We may take on your behalf any action required under this Lease which you fail to take, and upon receipt of our invoice you will promptly pay our costs (including insurance premiums and other payments to affiliates), plus reasonable processing fees. Restrictive endorsements on checks you send to us will not reduce your obligations to us. We may charge you a return check or non-sufficient funds charge of \$25 for any check which is returned by the bank for any reason (not to exceed the maximum amount permitted by law).

4. **LATE CHARGES.** For any payment which is not received within three (3) days of its due date, you agree to pay a late charge not to exceed the higher of 10% of the amount due or \$35 (not to exceed the maximum amount permitted by law) as reasonable collection costs.

5. **OWNERSHIP, USE, MAINTENANCE AND REPAIR.** We own the Equipment and you have the right to use the Equipment under the terms of this Lease. If this Lease is deemed to be a secured transaction, you grant us a first priority security interest in the Equipment to secure all of your obligations under this Lease. We hereby assign to you all our rights under any manufacturer and/or supplier warranties, so long as you are not in default hereunder. You must keep the Equipment free of liens. You may not remove the Equipment from the address indicated on page 1 of this Lease without first obtaining our approval. You agree to: (a) keep the Equipment in your exclusive control and possession; (b) use the Equipment in conformity with all insurance requirements, manufacturer's instructions and manuals; (c) keep the Equipment repaired and maintained in good working order and as required by the manufacturer's warranty, certification and standard full service maintenance contract; and (d) give us reasonable access to inspect the Equipment and its maintenance and other records.

6. **INDEMNITY.** You are responsible for all losses, damages, claims, infringement claims, injuries and attorneys' fees and costs, including, without limitation, those incurred in connection with responding to subpoenas, third party or otherwise ("Claims"), incurred or asserted by any person, in any manner relating to the Equipment, including its use, condition or possession. You agree to defend and indemnify us against all Claims, although we reserve the right to control the defense and to select or approve defense counsel. This indemnity continues beyond the termination of this Lease for acts or omissions which occurred during the Term of this Lease. You also agree that this Lease has been entered into on the assumption that we are the owner of the Equipment for U.S. federal income tax purposes and will be entitled to certain U.S. federal income tax benefits available to the owner of the Equipment. You agree to indemnify us for the loss of any U.S. federal income tax benefits resulting from the failure of any assumptions in this Lease to be correct or caused by your acts or omissions inconsistent with such assumption or this Lease. In the event of any such loss, we may increase the Lease Payments and other amounts due to offset any such adverse effect.

7. **LOSS OR DAMAGE.** If any item of Equipment is lost, stolen or damaged you will, at your option and cost, either: (a) repair the item or replace the item with a comparable item reasonably acceptable to us; or (b) pay us the sum of: (i) all past due and current Lease Payments and Lease Charges; (ii) the present value of all remaining Lease Payments and Lease Charges for the effected item(s) of Equipment, discounted at the rate of 6% per annum (or the lowest rate permitted by law, whichever is higher); and (iii) the Fair Market Value of the effected item(s) of Equipment. We will then transfer to you all our right, title and interest in the effected item(s) of Equipment AS-IS AND WHERE-IS, WITHOUT ANY WARRANTY AS TO CONDITION, TITLE OR VALUE. Insurance proceeds shall be applied toward repair, replacement or payment hereunder, as applicable. In this Lease, "Fair Market Value" of the Equipment means its fair market value at the end of the Term, assuming good order and condition (except for ordinary wear and tear from normal use), as estimated by us. No such loss or damage shall relieve you of your payment obligations hereunder.

8. **INSURANCE.** You agree, at your cost, to: (a) keep the Equipment insured against all risks of physical loss or damage for its full replacement value, naming us as loss payee; and (b) maintain public liability insurance, covering personal injury and Equipment damage for not less than \$300,000 per occurrence, naming us as additional insured. The policy must be issued by an insurance carrier acceptable to us, must provide us with not less than 15 days' prior written notice of cancellation, non-renewal or amendment, and must provide deductible amounts acceptable to us. If you do not provide acceptable insurance, we have the right but no obligation to obtain insurance covering our interest (and only our interest) in the Equipment for the Lease Term and any renewals. Any insurance we obtain will not insure you against third party or liability claims and may be cancelled at any time. In the event that we elect to obtain such insurance, you will be required to pay us an additional amount each Billing Period for the cost of such insurance and an administrative fee, the cost of which insurance and administrative fee may be more than the cost to obtain your own insurance and on which we may make a profit.

9. **DEFAULT.** You will be in default under this Lease if: (a) you fail to remit to us any payment within ten (10) days of the due date or breach any other obligation under this Lease; (b) a petition is filed by or against you or any guarantor under any bankruptcy or insolvency law; (c) any representation made by you is false or misleading in any material respect; (d) you become insolvent, are liquidated or dissolved, merge, transfer a material portion of your ownership interest or assets, stop doing business, or assign rights or property for the benefit of creditors; or (e) you default under any other agreement with us or our assignees.

10. **REMEDIES.** If you default, we may do one or more of the following: (a) recover from you, AS LIQUIDATED DAMAGES FOR LOSS OF BARGAIN AND NOT AS A PENALTY, the sum of: (i) all past due and current Lease Payments and Lease Charges; (ii) the present value of all remaining Lease Payments and Lease Charges, discounted at the rate of 6% per annum (or the lowest rate permitted by law, whichever is higher); and (iii) the Fair Market Value of the Equipment; (b) declare any other agreements between us in default; (c) require you to return all of the Equipment in the manner outlined in Section 11, or take possession of the Equipment, in which case we shall not be held responsible for any losses directly or indirectly arising out of, or by reason of the presence and/or use of any and all proprietary information residing on or within the Equipment, and to lease or sell the Equipment or any portion thereof, and to apply the proceeds, less reasonable selling and administrative expenses, to the amounts due hereunder; (d) charge you interest on all amounts due us from the due date until paid at the rate of 1-1/2% per month, but in no event more than the lawful maximum rate; and (e) charge you for expenses incurred in connection with the enforcement of our remedies including, without limitation, repossession, repair and collection costs, attorneys' fees and court costs. These remedies are cumulative, are in addition to any other remedies provided for by law, and may be exercised concurrently or separately. Any failure or delay by us to exercise any right shall not operate as a waiver of any other right or future right.

11. **END OF TERM OPTIONS: RETURN OF EQUIPMENT.** At the end of the Term and upon 30 days prior written notice to us, you shall either: (a) return all, but not less than all, of the Equipment; or (b) purchase all, but not less than all, of the Equipment AS-IS AND WHERE-IS, WITHOUT ANY WARRANTY AS TO CONDITION, TITLE OR VALUE, for the Fair Market Value, plus applicable sales and other taxes. If you do not provide us with such written notice and either return all of the Equipment or purchase all of the Equipment at the end of the Term, then this Lease will automatically renew on a month-to-month basis and all of the provisions of this Lease shall continue to apply, including, without limitation, your obligations to remit Lease Payments, Lease Charges and other charges, until all of the Equipment is either returned to us (either because we demand return of the Equipment or you decide to return the Equipment) or purchased by you for the applicable Fair Market Value, plus applicable sales and other taxes, in accordance with the terms hereof. If you are in default (or a non-appropriation of funds occurs), or you do not purchase the Equipment at the end of the Term (or the Renewal Term), you shall: (1) return all of the Equipment, freight and insurance prepaid at your cost and risk, to wherever we indicate in the continental United States, with all manuals and logs, in good order and condition (except for ordinary wear and tear from normal use), packed per the shipping company's specifications; and (2) securely remove all data from any and all disk drives or magnetic media prior to returning the Equipment (and you are solely responsible for selecting an appropriate removal standard that meets your business needs and complies with applicable laws). You will pay us for any loss in value resulting from the failure to maintain the Equipment in accordance with this Lease or for damages incurred in shipping and handling.


12. **ASSIGNMENT.** You may not assign or dispose of any rights or obligations under this Lease or sublease the Equipment without our prior written consent. We may, without notifying you: (a) assign all or any portion of this Lease or our interest in the Equipment; and (b) release information we have about you and this Lease to the manufacturer, Supplier or any prospective investor, participant or purchaser of this Lease. If we do make an assignment under subsection 12(a) above, our assignee will have all of our rights under this Lease, but none of our obligations. You agree not to assert against our assignee claims, offsets or defenses you may have against us.

13. **MISCELLANEOUS.** Notices must be in writing and will be deemed given five (5) days after mailing to your (or our) business address. You represent that: (a) you are the entity indicated in this Lease; (b) any documents required to be delivered in connection with this Lease (collectively, the "Documents") have been duly authorized by you in accordance with all applicable laws, rules, ordinances and regulations; (c) the Documents are valid, legal, binding agreements, enforceable with their terms and the person(s) signing the Documents have the authority to do so, are acting with the full authorization of your governing body, and hold the offices indicated below their signatures; (d) the Equipment is essential to the immediate performance of a governmental or proprietary function by you within the scope of your authority and shall be used during the Term only by you to perform such function; (e) you intend to use the Equipment for the entire Term and shall take all necessary action to include in your annual budget any funds required to fulfill your obligations each fiscal period during the Term; (f) you have complied fully with all applicable law governing open meetings, public bidding and appropriations, required in connection with this Lease and the debt under applicable state law; (g) your obligations to remit Lease Payments constitutes a current expense and not a debt under applicable state law; (h) this Lease is binding on you and your successors and assigns; and (i) all financial information you have provided is true and a reasonable representation of your financial condition. This Lease: (i) constitutes the entire agreement of the parties with respect to the subject matter thereof; (ii) supersedes all other writings, communications, understandings, agreements, purchase orders, solicitation documents (including, without limitation, any request for proposal and responses thereto and other related documents (together, the "Bid Documents")) and other representations, express or implied ("Prior Understandings"), and may not be contradicted or amended by Prior Understandings; and (iii) may be amended or modified only by written documents duly authorized, executed and delivered by the parties. This Lease is binding on you and your successors and assigns. You authorize us, our agent, or our assignee to: (a) obtain credit reports and make credit inquiries; (b) furnish your information, including credit application, payment history and account information, to credit reporting agencies and our assignees, potential purchasers or investors and parties having an economic interest in this Lease or the Equipment, including, without limitation, the seller, Supplier or any manufacturer of the Equipment; and (c) you irrevocably grant us the power to prepare, sign on your behalf (if applicable), and file, electronically or otherwise Uniform Commercial Code ("UCC") financing statements and any amendments thereto or continuation thereof relating to the Equipment, and containing any other information required by the applicable UCC. Any claim you have against us must be made within two (2) years after the event which caused it. If a court finds any provision of this Lease to be unenforceable, all other terms shall remain in effect and enforceable. You authorize us to insert or correct missing information on this Lease, including your proper legal name, serial numbers and any other information describing the Equipment. If you so request, and we permit the early termination of this Lease, you agree to pay a fee for such privilege. **THE PARTIES INTEND THIS TO BE A "FINANCE LEASE" UNDER ARTICLE 2A OF THE UCC. YOU WAIVE ALL RIGHTS AND REMEDIES CONFERRED UPON A LESSEE BY ARTICLE 2A OF THE UCC. YOU FURTHER HEREBY ACKNOWLEDGE AND AGREE THAT WE AND/OR SUPPLIER MAY MAKE A PROFIT ON ANY AND ALL FEES REFERENCED HEREIN AND, IN SO DOING WAIVE ANY AND ALL CLAIM WHICH YOU MAY HAVE FOR UNJUST ENRICHMENT.** We may receive compensation from the manufacturer and/or Supplier of the Equipment in order to enable us to reduce the cost of this Lease below what we otherwise would charge. If we received such compensation, the reduction in the cost of this Lease is reflected in the Lease Payment.

14. **ELECTRONIC TRANSMISSION OF DOCUMENTATION.** This Lease may be executed in counterparts. The executed counterpart which has our original signature and/or is in our possession shall constitute chattel paper as that term is defined in the UCC and shall constitute the original agreement for all purposes, including, without limitation: (i) any hearing, trial or proceeding with respect to this Lease; and (ii) any determination as to which version of this Lease constitutes the single true original item of chattel paper under the UCC. If you sign and transmit this Lease to us by facsimile or other electronic transmission, the transmitted copy shall be binding upon the parties. You agree that the facsimile or other similar electronic transmission of this Lease manually signed by us, when attached to the facsimile or other electronic copy signed by you, shall constitute the original agreement for all purposes. The parties further agree that, for purposes of executing this Lease, and subject to our prior approval and at our sole discretion: (a) a document signed and transmitted by facsimile or other electronic transmission shall be treated as an original document; (b) the signature of any party on such document shall be considered as an original signature; (c) the document transmitted shall have the same effect as a counterpart thereof containing original signature; and (d) at our request, you, who executed this Lease and transmitted its signature by facsimile or other electronic transmission shall provide the counterpart of this Lease containing your original manual signature to us. No party may raise as a defense to the enforcement of this Lease that a facsimile or other electronic transmission was used to transmit any signature of a party to this Lease.

ATTACHMENT 1

PROPOSAL

 TECHNOLOGY CENTERS	ALABAMA	CALIFORNIA	MARYLAND	PENNSYLVANIA	NEW JERSEY	NEW YORK
	Color and Monochrome Printers & MFP's			Wide Format Devices	Document Management Solutions	

Global Reach
Local Presence
Individual Accountability

Document Assessment Executive Summary

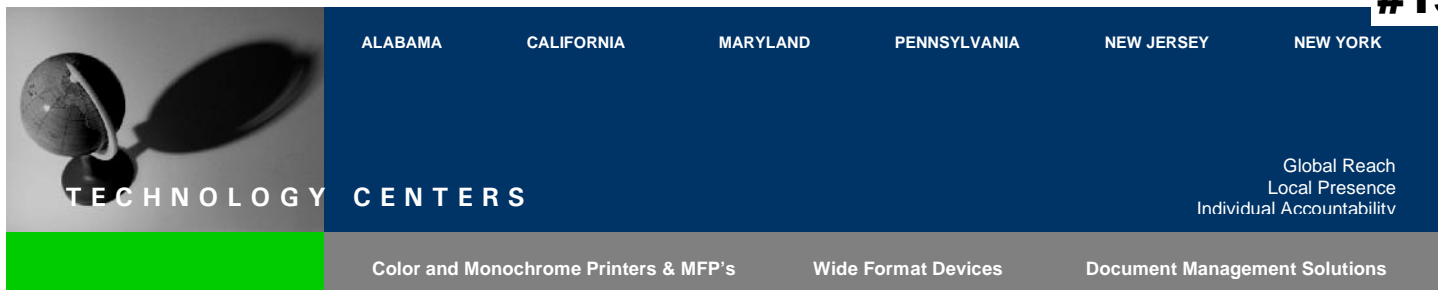


Prepared For: Mr. Brad Daley



Prepared By: Fred Rezai

Strategic Account Executive



Thursday, May 12, 2016

MNWD

26161 Gordon Road
LN, CA 92677

Dear Brad,

Thank you for the privilege of working with your organization to improve document processes.

Documents are the key vehicles by which information flows in, around and out of your organization. We have found when we can help our clients improve the workflow of their key documents, we can often help them increase revenues, lower overhead expenses, improve competitive advantage and sometimes limit their liability.

The following proposal outlines a solution to optimize your printing environment. This system would allow you to:

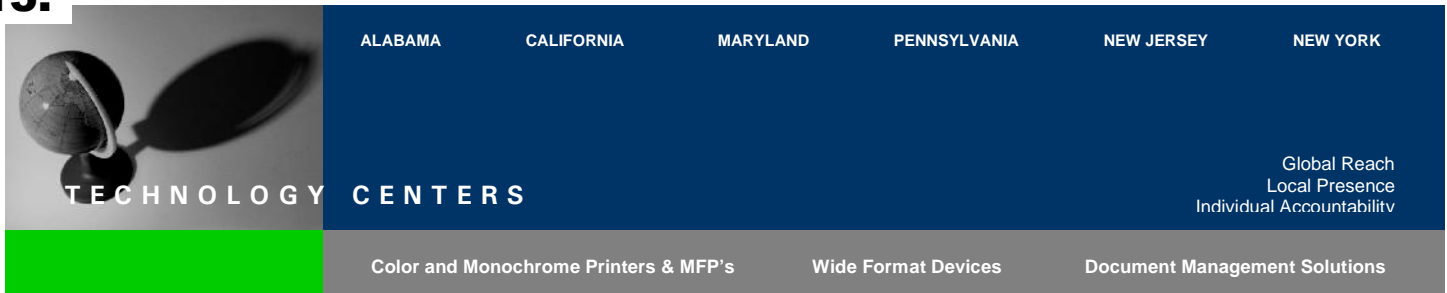
- **Reduce total printing expenses with a Total Document Management program.**
- **Install workgroup black & color desktop printing & multi-functional systems on a cost per page basis to increase productivity and streamline workflow.**

We have provided a detailed Scope of Work to outline our plan for a smooth implementation and rapid adoption of the solution.

We look forward to working with you. Thank you again for the opportunity to serve you.

Sincerely,

FRED REZAI



About Kyocera



As one of Japan's premier high technology companies, Kyocera has pioneered numerous developments in the fields of Information Technology, electronics, telecommunications, optics, solar energy, medical devices and information processing for over 40 years. We are high technology specialists with over 85% of our annual revenue derived from IT products.

With almost two decades of networking experience, Kyocera is in the unique position to provide you with a seamless, single source solution for your document imaging needs. Why? Because we do it all ourselves, from top to bottom. As a world leader in Information Technologies, we design and manufacture the innovative Color and Monochrome Copiers, Printers and MFP's, along with the Controllers, Print Drivers and Networking Tools, that help you manage all of your hardcopy and electronic documents.

Our **KYO**solutions Suite provides a comprehensive approach to Network Printing, Scanning and Document and Device Management and enables any size organization to work more efficiently; saving time and money. In addition to our internally developed solutions, Kyocera partners with leading technology providers to supply your business with a variety of tools that address just about every need.

Throughout the world, Kyocera has earned a reputation for integrating the technology, services and support of our many solutions into precisely the right balance for your business. Our mission is to be the best, from the consultants who help you choose and design your solution to the professionals who ensure you get the most out of it, day in and day out.

Kyocera Technology Centers

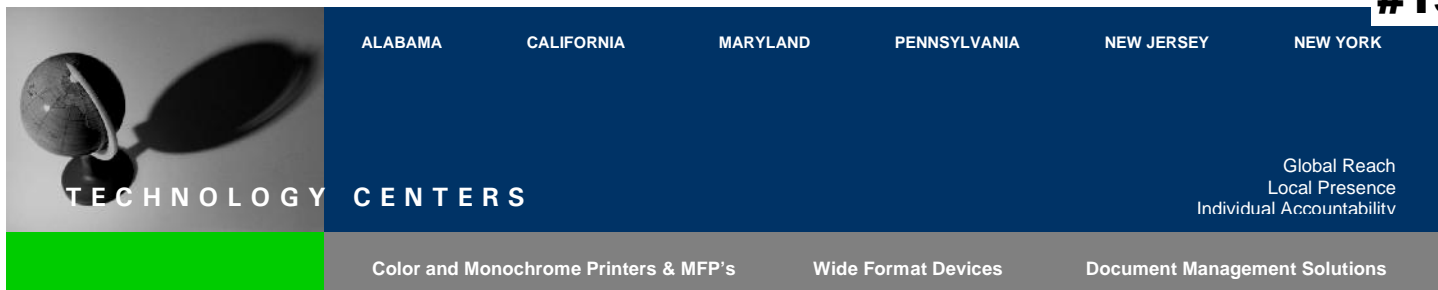
While we can't promise you that your day won't be hectic, we can promise you this. Any product and service sourced from a Kyocera Technology Center is backed by the unconditional support of Kyocera, our skilled technical staff, knowledgeable sales representatives, sales and network engineers and courteous customer support representatives.

We know your time is valuable and there are many more important things to worry about than your office output devices. That's why we're here! We're focused on the products and services that help our customers improve their document workflow while reducing their Total Cost of Ownership.

"#1 Copier/Multifunction Product in Overall Customer Satisfaction Among Business Users"



[Learn More](#)



Objectives

- Right mix of equipment that meets the Departmental Needs
- Right sizing the Fleet
- Improve Service
- Significantly Reduce Down-Time
- Future growth
- Broad Line of Products
- Warehousing of different Types of Cartridges
- Reduce the Cost of Document Output
- Current Monthly Cost **\$?**

Solutions

- Right mix of Products (TASKalfa 7551ci 75-PPM COLOR, TASKalfa 4551ci 45-PPM COLOR, TASKalfa 4501i 45-PPM B&W, FS-4200DN 52-PPM B&W Printer, & KIP 860 COLOR Printing/Scanning Wide Format)
- Eliminate Printing to High-Cost HPs
- Reduction in Number of Units
- Provide Excellent Service Maintenance
- Only 4 Different Models (includes all copiers, printers)
- Only 4 types Toner Cartridges
- One Vendor, One Point of Contact, One Invoice
- Multiple Levels of Support
- Continuous Training by Knowledgeable Sales Team

Benefits

- Direct Manufacture
- **\$2,700** rebate check made payable to MNWD
- One Invoice, One Vendor, One Point of Contact
- Cost Savings
- Brand NEW Systems
- Personalized Service
 1. Live Operator
 2. Elite Service less than 4 Hours Response Time
 3. Factory Trained

Achieve Service without Hurting the Convenience

Recommended / Proposed Implementations



Based on our analysis of your needs, we recommend the following units to optimize productivity and operation cost.

Total of 21 Machines

<u>Qty</u>	<u>Model</u>	<u>Description</u>
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2	TASKalfa 7551i	
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NOTE:



		75-PM COLOR and B&W Digital Workgroup Multifunctional
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- 75-PPM Network Ready Printer
- 200 imp Network Ready **COLOR** Scanner
- Fax, Network Faxing (E-Fax)
- **270 Sheet DUAL SCAN DOC PROCESSOR**
- COLOR Touch Screen Interface
- Standard Duplex
- 200 Sheet MPT
- 500 X 2 Paper Tray + 3,000 Sheet Tray + 200 MPT = 4,150 TOTAL
- 600 X 600 dpi
- 12" X 18" (Trays and MPT)
- 2GB RAM
- Dual 160 GB HDD
- 4,000 Sheet Finisher (Staple, Hole Punch, Booklet, Z-Fold)



2 *TASKalfa 4551ci*

NOTE:



45-PPM B&W & **COLOR** Digital Workgroup Multifunctional

- 45-PPM Network Ready Printer
- 100 imp Network Ready **COLOR** Scanner
- Fax, Network Faxing (E-Fax)
- Finisher, Staples
- 2/3 Hole Punch
- **175 Sheet DUAL SCAN DOC PROCESSOR**
- **COLOR** Touch Screen Interface
- Standard Duplex
- 200 Sheet MPT
- 500 X 2 Paper Tray
- 600 X 600 dpi
- 2 GB RAM
- 80GB HDD

6 *TASKalfa 4501i*

NOTE:



45-PPM B&W Digital Workgroup Multifunctional

- Network Ready Printer
- 100-PPM Network Ready **COLOR** Scanner
- Fax, Network Faxing (E-Fax)
- **175 Sheet DUAL SCAN DOC PROCESSOR**
- **COLOR** Touch Screen Interface
- Standard Duplex
- 200 Sheet MPT
- 500 X 2 Paper Tray
- 600 X 600 dpi
- 2GB RAM
- 160GB x HDDs


10 *FS-4200DN*

NOTE:



52-PPM Network Laser B&W Printer

- Standard Network Interface
- Standard Duplex
- 600 Sheet Paper Supply
- Standard USB Host Interface
- True 1,200 X 1,200 dpi
- High Quality Text, Images & Graphics
- Small Foot print



ALABAMA CALIFORNIA MARYLAND PENNSYLVANIA NEW JERSEY NEW YORK

TECHNOLOGY CENTERS

Global Reach
Local Presence
Individual Accountability

Color and Monochrome Printers & MFP's Wide Format Devices Document Management Solutions

1 **KIP 860**

NOTE:



Breakthrough COLOR Print Quality

- Amazingly Vibrant COLORS
- 2,880 square feet per hour (268 square meters)
- 2 Roll Multi-Functional System with Integrated Scanner
- 12" Smart System K Touchscreen
- Standard Front Stacking
- KIP System K Print Management Suite
- Windows and AutoCAD Drivers
- Workflow Automation



ALABAMA

CALIFORNIA

MARYLAND

PENNSYLVANIA

NEW JERSEY

NEW YORK

Global Reach
Local Presence
Individual Accountability

Color and Monochrome Printers & MFP's

Wide Format Devices

Document Management Solutions



Document Management Program Pricing

36 Months Lease Pricing:

Total Monthly Payment	B&W Cost per Page	Color Cost per Page
\$2,797	.0048	\$0.042

All Equipment, Service and Supplies consolidated on one invoice. KIP 860 is not part of the pages included!

Our Service Commitment

At Kyocera, the sale is just the beginning of the relationship. We consider ongoing support our number one goal. Therefore, you can rely on our knowledgeable support staff to keep your enterprise hardcopy and electronic information flowing.

- Provide prompt 4 Hour service response.
- Have parts and consumables available for immediate delivery.
- Provide excellent aftermarket support.
- Deploy expert Service Reps. that are experienced on only
- Servicing the Kyocera Brand.
- Employ courteous Customer Service Reps.

References:

- Juan (JC) Marin at Trustee Corps (714) 856-9107 cell phone
- Donna Ruegge at Provident Bank (951) 782-6121 direct office line
- Justin Tabak at Planned Parenthood of Orange & San B. Counties, Inc. (714) 922-4123 direct office line

MOULTON NIGUEL WATER DISTRICT
Summary of Financial Results
August 17, 2016

Unaudited results of operations for the twelve months ended June 30, 2016, are summarized below.

Total operating revenues were \$54.0 million through June 2016, which ended the year at 103% of the budget, and represents a \$4.0 million (8%) increase over prior year. Total operating expenses were \$65.9 million at June 30, 2016, which amounted to 94% of the approved budget. Although this represents a 4% increase compared to prior year, the overall strong performance and effective execution of operations is reflected in the \$4.3 million or 6% savings below fiscal budget. Total Net Income for the year ended is at \$7.5 million. A positive total Net Income amount is indicative of sound financial management strategies and proper planning by the Board.

The District has successfully applied for grant funds to support expenses related to capital projects. The District received \$0.6 million in cash payments related to these grants during the fiscal year and has been awarded an additional \$1.8 million for current projects. The \$2.4 million is a significant amount and provides substantial support to the District's Ten Year Cash Flow and Capital Improvement Program.

This is the second year of GASB 68 Pension adjustments, which is a recent financial reporting requirement to recognize the long-term obligation for pension benefits; it is not an actual current expense. FY 2015-16 Deferred Inflows of \$2.7 million and Deferred Outflows of \$1.4 million are calculated using the CalPERS actuarial report with a June 30, 2014 measurement date as compared to last year's measurement date of June 30, 2013. This resulted in an ending Net Pension Liability (NPL) of \$12.9 million for June 30, 2016, an increase of \$0.7 million from the prior year balance. Other factors that resulted in a higher NPL included changes in actuarial assumptions (for example, a person's predicted lifespan and health conditions), lower actual earnings on Plan investments versus those that were expected by CalPERS, as well as changes to the District's proportionate share of total Pension Liability in the Pooled Plan. In effect, total Pension Expense was reduced, which can be seen on the PERS Employer Contribution line of the Budget to Actual Statements.

Investment income was \$4.1 million as of June 30, 2016, representing an increase of \$1.5 million as compared to June 30, 2015. The increase was primarily driven by a greater unrealized gain in market value of the District investments at June 30, 2016. The District maintains a conservative profile, but one that continues to produce substantial yield.

Water Efficiency revenues amount to \$4.5 million, 33% over the \$3.4 million budget for fiscal year 2015-16. The current year increase is mostly due to stage 2 of the Water Shortage Contingency Plan, implemented as of June 1, 2015. The Water Efficiency Fund had an ending balance of \$5.3 million. Of that amount, \$0.6 million has already been committed to rebates and other programs, leaving the uncommitted and available fund balance at \$4.7 million.

Moulton Niguel Water District
All Funds - Budget Comparison Report
Twelve Months Ended June 30, 2016

	Description	Fiscal Year to Date Actuals	Prior Fiscal Year to Date Actuals	Current Year Approved Budget	Current Year Budget Balance	% of Actuals to Budget
ALL FUNDS						
Operating Revenues						
	Water Sales	\$ 25,277,296	24,708,832	\$ 25,449,137	\$ 171,841	99%
	Recycled Water Sales	4,850,326	4,880,742	5,249,795	399,469	92%
	Sewer Sales	18,963,978	16,182,196	18,053,647	(910,331)	105%
	Water Efficiency	4,534,832	3,896,062	3,398,873	(1,135,959)	133%
	Other Operating Income	415,565	325,825	483,500	67,935	86%
A	Total Operating Revenue	54,041,998	49,993,657	52,634,952	(1,407,046)	103%
Operating Expenses						
	Salaries	10,767,039	9,573,274	10,779,194	12,155	100%
	PERs Employer Contributions ¹	(213,501)	915,747	1,422,733	1,636,234	-15%
	PERs Employee Contributions	120,516	171,456	153,377	32,861	79%
	Defined Contribution 401A	161,217	183,736	200,534	39,317	80%
	Educational Courses	27,199	25,650	44,770	17,571	61%
	Travel & Meetings	207,093	185,829	253,344	46,251	82%
	Recruitment & Employee Relations	19,753	12,103	15,000	(4,753)	132%
	General Services	495,426	361,133	463,095	(32,331)	107%
	Annual Audit	61,139	40,665	48,080	(13,059)	127%
	Member Agencies O&M	1,193,413	1,345,750	1,542,495	349,083	77%
	Dues & Memberships	109,033	85,580	97,010	(12,023)	112%
	Consulting Services	2,627,084	1,300,440	3,098,900	471,816	85%
	Equipment Rental	58,111	64,365	65,000	6,889	89%
	District Fuel	200,596	235,727	340,000	139,404	59%
	Insurance - District	378,516	511,888	561,275	182,759	67%
	Insurance - Personnel	365,547	394,870	447,992	82,445	82%
	Insurance - Benefits	2,469,634	2,330,652	2,703,887	234,254	91%
	Legal Services - Personnel	6,841	3,747	50,000	43,159	14%
	Legal Services - General ²	264,552	205,662	200,000	(64,552)	132%
	District Office Supplies	767,496	721,350	965,151	197,654	80%
	District Operating Supplies	389,549	301,346	392,967	3,418	99%
	Repairs & Maintenance - Equipment	672,990	638,432	741,969	68,979	91%
	Repairs & Maintenance - Facilities	3,539,852	2,909,459	4,135,970	596,118	86%
	Safety Program & Compliance Requirements	332,064	139,734	309,450	(22,614)	107%
	SOCWA	9,504,261	8,448,293	9,204,735	(299,526)	103%
	Special Outside Assessments	188,136	200,296	225,000	36,864	84%
	Utilities	2,104,023	2,173,236	2,258,900	154,877	93%
	Water Purchases	23,729,595	25,978,276	23,697,842	(31,753)	100%
	Meter / Vault Purchases	723,310	662,151	906,000	182,690	80%
	Water Efficiency	4,596,570	2,811,963	4,849,624	253,054	95%
	Other Operating Expenses	20,573	127,926	-	(20,573)	n/a
B	Total Operating Expenses	65,887,625	63,060,737	70,174,294	4,307,242	94%
A-B	Operating Income (Loss)	(11,845,627)	(13,067,080)	(17,539,342)	(5,714,287)	68%
Non-Operating Revenues (Expenses)						
	Property Tax Revenue	25,298,065	24,011,516	26,501,190	1,203,125	95%
	Investment Income ³	4,126,108	2,624,289	2,027,705	(2,098,403)	203%
	Property Lease Income	1,623,544	1,731,352	1,660,096	36,552	98%
	Interest Expense	(5,232,879)	(6,028,356)	(5,594,886)	(362,007)	94%
	Misc. Non-Operating Income ⁴	9,599,705	14,935,079	68,000	(9,531,705)	n/a
	Capacity Fees	1,046,335	551,179	-	(1,046,335)	n/a
C	Total Non-Operating Revenue (Expenses)	36,460,879	37,531,060	24,662,105	(11,798,774)	148%
A-B+C	Change in All Funds	\$ 24,615,251	\$ 24,463,980	\$ 7,122,763	\$ (17,513,061)	
Other Non Cash Expenses						
	Depreciation	17,123,278	16,708,438	-	(17,123,278)	n/a
D	Total Change in Net Position	7,491,974	7,755,542	7,122,763	(389,783)	

Note: Totals may not sum due to rounding.

1. GASB 68 (Pension) adjustments reduced Pension Contribution by \$1.5 million for the District.

2. Detail of Legal Services - General can be found on the next page.

3. Investment income is comprised of realized income of \$2,398,561 and unrealized income of \$1,727,547.

4. The District received \$1.3 million for the 2009 COP (Build America Bonds) Federal Interest subsidy and \$5.3 million for the Special Assessment District taxes. Historically, the District has not budgeted for these items, but has included them in the FY 16/17 Adopted Budget.

#14.b.

Moulton Niguel Water District
All Funds - Budget Comparison Report
Twelve Months Ended June 30, 2016
Legal Services - General

Firm	General ⁵	Water Use Efficiency ⁵	Capital ⁶	Total
Bowie, Arneson, Wiles & Giannone	\$ 34,438	\$ -	\$ 10,022	\$ 44,460
Best Best & Krieger LLP	212,207	17,314	40,507	270,028
Downey Brand, Attorneys	594	-	3,064	3,658
Total	\$ 247,239	\$ 17,314	\$ 53,593	\$ 318,145
Budget Amount	200,000	-	-	
Budget Balance	\$ (47,239)	\$ (17,314)	\$ (53,593)	

Note: Totals may not sum due to rounding.

5. Legal Services - General on the previous page is made up of the General balance of \$247,239 and the \$17,314 Water Use Efficiency balance, for a total of \$264,552.

6. Capital legal services represent legal services rendered during construction and are capitalized by the District as part of the project.

Moulton Niguel Water District
General Fund - Budget Comparison Report
Twelve Months Ended June 30, 2016

	Description	Approved Budget	Fiscal Year to Date Actuals	Budget Balance	% of Actuals to Budget
GENERAL FUND					
Operating Revenues					
	Water Sales	\$ 25,449,137	\$ 25,277,296	\$ 171,841	99%
	Recycled Water Sales	5,249,795	4,850,326	399,469	92%
	Sewer Sales	18,053,647	18,963,978	(910,331)	105%
	Other Operating Income	483,500	415,565	67,935	86%
A	Total Operating Revenue	49,236,079	49,507,166	(271,087)	101%
Operating Expenses					
	Salaries	10,307,516	10,129,113	178,403	98%
	PERs Employer Contributions ¹	1,364,819	(223,236)	1,588,055	-16%
	PERs Employee Contributions	149,890	118,573	31,317	79%
	Defined Contribution 401A	192,000	152,228	39,771	79%
	Educational Courses	44,270	25,975	18,295	59%
	Travel & Meetings	238,644	192,367	46,277	81%
	Recruitment & Employee Relations	15,000	19,753	(4,753)	132%
	General Services	458,095	495,426	(37,331)	108%
	Annual Audit	48,080	61,139	(13,059)	127%
	Member Agencies O&M	1,542,495	1,193,413	349,083	77%
	Dues & Memberships	96,510	109,033	(12,523)	113%
	Consulting Services	2,248,900	1,800,711	448,189	80%
	Equipment Rental	65,000	58,111	6,889	89%
	District Fuel	340,000	200,596	139,404	59%
	Insurance - District	561,275	378,516	182,759	67%
	Insurance - Personnel	438,275	351,771	86,504	80%
	Insurance - Benefits	2,587,061	2,333,748	253,313	90%
	Legal Services - Personnel	50,000	6,841	43,159	14%
	Legal Services - General	200,000	247,239	(47,239)	124%
	District Office Supplies	475,400	447,319	28,081	94%
	District Operating Supplies	392,967	389,323	3,644	99%
	Repairs & Maintenance - Equipment	738,469	669,041	69,428	91%
	Repairs & Maintenance - Facilities	4,135,970	3,539,852	596,118	86%
	Safety Program & Compliance Requirements	309,450	332,064	(22,614)	107%
	SOCWA	9,204,735	9,504,261	(299,526)	103%
	Special Outside Assessments	225,000	188,136	36,864	84%
	Utilities	2,258,900	2,104,023	154,877	93%
	Water Purchases	23,697,842	23,729,595	(31,753)	100%
	Meter / Vault Purchases	906,000	723,310	182,690	80%
B	Total Operating Expenses	63,292,562	59,278,241	4,014,321	94%
A-B	Operating Income (Loss)	(14,056,483)	(9,771,075)	(4,285,408)	70%
Non-Operating Revenues (Expenses)					
	Property Tax Revenue	26,501,190	25,298,065	1,203,125	95%
	Investment Income	1,867,913	2,742,004	(874,091)	147%
	Property Lease Income	1,660,096	1,623,544	36,552	98%
	Misc. Non-Operating Income ²	68,000	6,830,842	(6,762,842)	n/a
C	Total Non-Operating Revenue (Expenses)	30,097,199	36,494,456	(6,397,257)	121%
A-B+C	Change in General Fund	\$ 16,040,716	\$ 26,723,380	\$ (10,682,664)	

Note: Totals may not sum due to rounding.

1. GASB 68 (Pension) adjustments reduced Pension Contribution by \$1.5 million for Fund 1.

2. The District received \$1.3 million for the 2009 COP (Build America Bonds) Federal Interest subsidy and \$3.1 million for the Special Assessment District taxes. Historically, the District has not budgeted for these items, but has included them in the FY 16/17 Adopted Budget.

#14.b.

Moulton Niguel Water District
Water Efficiency Fund - Budget Comparison Report
Twelve Months Ended June 30, 2016

	Description	Approved Budget	Fiscal Year to Date Actuals	Budget Balance	% of Actuals to Budget
WATER EFFICIENCY FUND					
<u>Projected Operating Revenue</u>					
	Water Efficiency	\$ 3,398,873	\$ 4,534,832	\$ (1,135,959)	133%
A	Projected Total Operating Revenue	3,398,873	4,534,832	(1,135,959)	133%
<u>Projected Operating Expenses</u>					
	Labor ¹	668,156	788,784	(120,628)	118%
	Educational Courses	500	1,224	(724)	245%
	Travel & Meetings	14,700	14,725	(25)	100%
	General Services	5,000	-	5,000	0%
	Dues & Memberships	500	-	500	0%
	Consulting Services	850,000	762,023	87,977	90%
	Legal Services	-	17,314	(17,314)	n/a
	Conservation supplies	489,751	324,126	165,624	66%
	Repairs and Maintenance - Equipment	3,500	226	3,274	6%
	Water Efficiency	4,849,624	4,596,570	253,054	95%
B	Projected Total Operating Expenses	6,881,731	6,504,991	376,739	95%
A-B	Projected Operating Income (Loss)	(3,482,858)	(1,970,160)	(1,512,698)	57%
<u>Projected Non-Operating Revenue</u>					
C	Investment Income	159,792	88,987	70,805	56%
	Projected Total Non-Operating Revenue	159,792	88,987	70,805	56%
A-B+C	Projected Change in Water Efficiency Fund	\$ (3,323,066)	\$ (1,881,172)	\$ (1,441,893)	

Note: Totals may not sum due to rounding.

Water Efficiency Available Net Position ²

Description	Approved Budget	Fiscal Year to Date Actuals	Budget Balance
Fund Net Position, Beginning of Year	\$ 7,180,191	\$ 7,180,191	\$ 7,180,191
Projected Change in Water Efficiency Fund	(3,323,066)	(1,881,172)	(1,441,893)
Fund Net Position, Ended June 30, 2016	\$ 3,857,125	\$ 5,299,019	\$ 5,738,298

1. GASB 68 (Pension) adjustments reduced Pension Contribution by \$67,808 for Fund 6.

2. In addition to realized expenditures, there is approximately \$638,603 in project commitments, reducing the available WBBRS reserve balance to \$4,660,416.

MOULTON NIGUEL WATER DISTRICT
STATEMENT OF NET POSITION

	(Unaudited)	Audited
	June 30, 2016	June 30, 2015
CURRENT ASSETS:		
Cash and investments	\$ 34,176,400	\$ 33,849,087
Restricted cash and investments with fiscal agent	8,086,043	8,777,679
Accounts receivables:		
Water and sanitation charges	4,023,360	3,392,611
Taxes and acreage assessments	255,190	300,842
Grant Reimbursements	1,771,918	405,068
Other accounts receivable	346,888	222,169
Interest receivable	589,340	620,930
AMP receivable	656	1,302
Inventory	1,467,038	1,703,635
Prepaid expenses	566,095	480,124
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	51,282,928	49,753,446
	<hr/>	<hr/>
NONCURRENT ASSETS:		
Investments	96,942,471	116,281,296
Retrofit loans receivable	561,582	597,037
Capital assets, net of accumulated depreciation	344,747,326	343,111,410
Capital assets not being depreciated:		
Land	1,091,910	1,091,910
Construction in progress	45,135,683	31,642,242
	<hr/>	<hr/>
TOTAL NONCURRENT ASSETS	488,478,973	492,723,895
	<hr/>	<hr/>
TOTAL ASSETS	539,761,901	542,477,341
	<hr/>	<hr/>
DEFERRED OUTFLOW OF RESOURCES:		
Deferred Charges on Refunding	937,158	1,488,900
Deferred Items related to Pension	1,755,407	1,431,577
	<hr/>	<hr/>
TOTAL DEFERRED OUTFLOW OF RESOURCES	2,692,565	2,920,477
	<hr/>	<hr/>
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES \$	542,454,465	\$ 545,397,818
	<hr/> <hr/>	<hr/> <hr/>

#14.c.

**MOULTON NIGUEL WATER DISTRICT
STATEMENT OF NET POSITION**

	(Unaudited)	Audited
	June 30, 2016	June 30, 2015
CURRENT LIABILITIES:		
Accounts payable	\$ 8,967,261	\$ 8,162,699
Interest payable	1,880,733	1,830,740
Unearned Revenue	45,572	-
Compensated absences	618,807	373,162
Current portion of long-term debt:		
Bonds payable	6,060,000	5,685,000
Loans Payable	1,994,997	2,110,606
Certificates of participation	1,855,000	1,780,000
	21,422,370	19,942,207
TOTAL CURRENT LIABILITIES		
LONG-TERM LIABILITIES		
Compensated absences	206,269	124,386
Long-term debt:		
Bonds payable	16,370,000	22,430,000
Loans payable	8,693,016	10,688,012
Certificates of participation	61,925,000	63,780,000
Net Pension Liability	12,934,337	12,251,838
	100,128,622	109,274,236
TOTAL LONG-TERM LIABILITIES		
Bond Discount/Premium	2,609,427	3,483,309
	124,160,418	132,699,752
TOTAL LIABILITIES		
DEFERRED INFLOW OF RESOURCES:		
Deferred Items related to Pension	3,040,630	4,936,619
	3,040,630	4,936,619
TOTAL DEFERRED INFLOW OF RESOURCES		
NET POSITION:		
Net investment in capital assets	292,404,637	267,393,560
Restricted for capital projects	2,632,947	1,508,109
Unrestricted	120,215,832	138,859,778
	415,253,417	407,761,447
TOTAL NET POSITION		
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	\$ 542,454,465	\$ 545,397,818

Note: Totals may not sum due to rounding.

MOULTON NIGUEL WATER DISTRICT
RESTRICTED CASH AND INVESTMENTS WITH FISCAL AGENT
As of June 30, 2016

	Reserve Requirement	(Unaudited) Balance 6/30/2016	Over (Under) Requirement	Audited Balance 6/30/2015
<u>Restricted Cash and Investments:</u>				
DWR Trust Reserves	\$ -	-	\$ -	\$ 615,739
2009 COPS Trust Reserve	6,000,000	6,033,813	33,813	6,023,364
2009 COPS Installment	-	39	39	-
2010 Installment Payment	-	264,609	264,609	-
2010 COPS Trust Reserves	378,000	555,767	177,767	896,180
2014 Consolidated Ref Bonds	-	4	4	-
2015 Refunding Bonds	-	8	8	-
2015 Refunding Reserve	1,226,500	1,231,804	5,304	1,226,500
2015 Refunding Issuance Fund	-	-	-	15,896
Total Restricted Trust Accounts	\$ 7,604,500	\$ 8,086,043	\$ 481,543	\$ 8,777,679

Note: Totals may not sum due to rounding.

MOULTON NIGUEL WATER DISTRICT
NET POSITION
As of June 30, 2016

	Reserve Policy Target	(Unaudited)		Audited
		Balance	Net Change	Balance
		6/30/2016		6/30/2015
Unrestricted Net Position¹:				
Designated for Self Insurance Reserves	\$ 250,000	254,759	\$ 4,904	\$ 249,855
Designated for Water Efficiency (WBBRS) ²	n/a	5,299,019	(1,881,172)	7,180,191
Designated for Replacement and Refurbishment	17,061,912	9,729,765	(7,359,050)	17,088,815
Designated for Water Supply Reliability	n/a	(1,277,420)	(2,079,051)	801,631
Designated for Planning and Construction	n/a	28,491,469	(637,414)	29,128,883
Designated for Rate Stabilization	13,250,595	13,657,484	2,657,203	11,000,281
Designated for Emergency Reserve	6,884,925	6,884,925	-	6,884,925
Unrestricted, undesignated ³	21,097,521	57,175,830	(9,349,367)	66,525,197
Total Unrestricted Net Position	58,544,953 ⁴	120,215,832	(18,643,946)	138,859,778
Restricted for Capital Facilities (Projects)		2,632,947	1,124,838	1,508,109
Net Investment in Capital Assets ⁵		292,404,637	25,011,077	267,393,560
Total Net Position		\$ 415,253,417	\$ 7,491,970	\$ 407,761,447

Note: Totals may not sum due to rounding.

1. Board designated balances represent available cash in that fund.

2. In addition to realized expenditures, there is approximately \$638,603 in project commitments, reducing the available WBBRS reserve balance to \$4,660,416.

3. Unrestricted, undesignated balance include the General Operating Reserve and other general District accrued cash flows. This amount includes the remaining total cash balance of \$59,067,833.

4. All funds in excess of reserve policy targets will be used to fund capital projects and operations.

5. Net Investment in Capital Assets calculated as follows:

Total capital assets	390,974,919
Less capital related debt	(99,507,440)
Add deferred charges related to debt	937,158
Total Net Investment in Capital Assets	292,404,637

**MOULTON NIGUEL WATER DISTRICT
SUMMARY OF DISBURSEMENTS
FOR THE MONTH OF JULY 2016**

Summary of Disbursements in July 2016:

General Fund Disbursements		4,989,786
<u>Restricted Fund Disbursements:</u>		
Water Efficiency Fund	1,257,384	
Replacement & Refurbishment Fund	4,764,888	
Water Supply Reliability Fund	373,312	
Planning & Construction Fund	655,219	7,050,804
Total Disbursements for all Funds	\$	12,040,590

Detail of Major Expenditures in July 2016:

1. South Orange County Wastewater Authority (SOCWA)		
FY 16/17 Q1 Capital Project Billings	2,069,222	
FY 16/17 Q1 O&M Budget Deposits	1,855,839	3,925,061
2. Municipal Water District of Orange County (MWD OC)		
May Water Purchases 2116.2 AF	1,993,460	
June Turf, Nozzles, and Smart Timer Rebates	682,496	
May Turf, Nozzles, and Smart Timer Rebates	444,012	
May Readiness to Serve	143,923	
May Capacity Charge	38,599	
May SCP Operation Surcharge	12,514	
June SoCal WaterSmart Residential Rebates	800	
April Reclaimed Rebate 540.3 AF	(83,206)	3,232,598
3. Aqua-Metric Sales, Co.		
C# 2015019 & 2015020 AMI Pilot Phase I		596,735
4. Ferreira Construction Co., Inc.		
C# 2014011 Recycled Water Extension, progress payment #3	358,329	
Emergency mainline repairs: De Colinas, El Siena, and Playa Blanca	15,355	373,683
5. Advanced Industrial Services, Inc.		
C# 2014001 Rehab Bear Brand #1 Reservoir, progress payments #2 & 3		334,163
6. Vadrnais Trenchless Services, Inc.		
C# 2009115 San Juan Creek 30" ETM, progress payment #6		263,277
7. T.E. Roberts Inc.		
Northern Emergency Pipeline Repair in Mission Viejo		142,000
8. Lee & Ro, Inc.		
Electrical System Assessment of Station Facilities	123,556	
C# 2015009 Lower Boundary Oak Lift Station Upgrade	14,089	
C# 2015003 Aliso Creek Lift Station Rehabilitation Upgrade	4,213	141,858

#15.

entities, with the District providing funding through a project agreement or a joint powers entity. For these projects, staff primarily assesses capital expenditures and reviews deliverables and invoices, but does not actively manage the projects. These projects total \$24.1 million for FY 2015-16 budget. The remainder of the budget, \$22.7 million, is executed by District staff. After completion of the fourth quarter of the fiscal year, approximately 83% of CIP budget has been committed and 64% has been expended to date. Table 1 summarizes the expenditures and contractual obligations for the fiscal year.

Table 1 Adopted Budget by Fund Fiscal Year: July 2015 through June 2016			
Item/Fund	Fiscal Year Adopted & Amended Budget	Awarded Contracts Through Fourth Quarter	Payments Through Fourth Quarter
Water Efficiency – Fund 6	\$1,695,611	\$1,613,254	\$1,594,986
Replacement and Refurbishment - Fund 7	\$10,467,886	\$8,746,873	\$6,229,496
SOCWA & JRWSS - Fund 7	\$10,299,939	\$11,162,660	\$9,681,880
Water Supply Reliability Projects - Fund 12	\$14,778,582	\$14,778,582	\$11,202,853
Planning and Construction - Fund 14	\$9,572,481	\$2,358,024	\$1,399,101
Total	\$46,814,499	\$38,659,393	\$30,108,316

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).

During the fourth quarter of FY 2015-16, these major activities were performed within the Capital Improvement Program:

- Eight projects were completed
 - 2010.033 – New District Enterprise Software
 - 2011.016 – PLC Panel Replacement
 - 2012.009 – Beacon Hill PS Pump/Engine Replacement
 - 2012.012 – Field GIS: Sewer Line Cleaning and MH
 - 2015.005 – FY 2015-16 Manhole Rehabilitation
 - 2015.014 – FY 2015-16 Recycled Water Retrofits
 - 2015.016 – FY 2015-16 New System Valves

- 2015.021 – Telemetry Building Modifications
- Four projects were awarded:
 - 2014.013 – Pradera 850 Zone Loop
 - 2015.002 – FY 2015-16 Valve Replacements
 - 2015.017 – Fall Protection Systems: Potable Reservoirs
 - 2015.018 – Fall Protection Systems: Recycled Reservoirs
- Five projects were advertised for bids:
 - 2011.010 – Hillary PRS Replacement
 - 2011.012 – Largo PRS Replacement
 - 2011.015 – Wilkes PRS Replacement
 - 2014.002 – Del Avion LS Auxiliary Generator Replacement
 - 2014.010 – Aliso Village RW Extension
- Fourteen projects are under construction
- Design work continued on 18 additional projects.
 - Issued 7 task orders utilizing the On-Call Professional Engineering Services Agreements listed below. Table 3 summarizes the expenditures for the program.
 - 2015.008/.010 – Linda Vista Drive and National Park Sewer Lining Projects
 - 2015.011 – Palms Apartments Potable Waterline Replacements
 - 2015.012 – Paseo de Valencia 24-inch Railroad Crossing Abandonment
 - 2015.009 – Lower Boundary Oak Lift Station Upgrade
 - 2015.003 – Aliso Creek Lift Station Rehabilitation
 - 2015.015 – Saddleback Pump Station Auxiliary Pump/Engine Replacement
 - O&M – JB Latham Treatment Plant Flow Monitoring

Table 3 On-Call Professional Engineering Services Agreement Expenditure Summary through March 2016				
Consultant	Contracted Amount	Number of Task Orders Issued	Total Value of Task Orders	Remaining Contractual Amount
AKM Consulting Engineers	\$750,000	16	\$503,509	\$246,491
Lee & RO, Inc	\$750,000	12	\$529,885	\$220,115
Tetra Tech, Inc	\$500,000	14	\$480,590	\$19,410
Total	\$2,000,000	42	\$1,513,984	\$486,016

Attachment: Table 2 Quarterly CIP Report

TABLE 2
QUARTERLY CAPITAL IMPROVEMENT PROGRAM REPORT
MOULTON NIGUEL WATER DISTRICT
QUARTERLY PROJECT STATUS - FOURTH QUARTER - APRIL THROUGH JUNE
FISCAL YEAR: JULY 2015 TO JUNE 2016

PROJECT NUMBER	FUND	PROJECT DESCRIPTION	YEAR PROJECT APPROVED	TOTAL PROJECT AMOUNT	EXPENDED FROM INCEPTION TO DATE	FY 2015-16 ADOPTED BUDGET	FY 2015-16 EXPENDED TO DATE	ESTIMATED COMPLETION DATE
COMPLETED PROJECTS								
2006099	12	ETWD/MNWD INTERTIE W/30 DIEMER PI	2006	\$503,140	\$398,494	\$252,042	\$109,760	Completed
2006099	12	ETWD/MNWD INTERTIE W/30 DIEMER PI REIMBURSEMENT	2006	(\$503,140)	(\$398,494)	(\$252,042)	(\$398,494)	Reimbursement
2010018	7	MATHIS-OSO BY-PASS	2010	\$778,670	\$814,781	\$527,615	\$409,455	Completed
2010033	7	NEW DISTRICT ENTERPRISE SOFTWARE	2010	\$0	\$2,993,618	\$0	\$139,119	Completed
2011016	7	PLC PANEL REPLACEMENT	2011	\$440,000	\$369,375	\$111,087	\$18,854	Completed
2011038	14	E ALISO CRK RES RECIRCULATION SYST	2011	\$141,000	\$135,957	\$51,981	\$46,938	Completed
2012009	7	BEACON HILL PS PUMP/GENERATOR REPLACEMENT	2012	\$675,000	\$552,337	\$578,863	\$455,433	Completed
2012012	7	FIELD GIS - SEWER LINE CLEANING & MH	2012	\$40,000	\$39,200	\$40,000	\$39,200	Completed
2012028	14	GENERATOR AT BEAR BRAND RESERVOIR	2012	\$72,029	\$65,954	\$57,724	\$22,526	Completed
2012029	14	GENERATOR AT BRIDLEWOOD TAKEOUT	2012	\$75,440	\$69,055	\$61,135	\$35,451	Completed
2012030	14	GENERATOR AT MARGUERITE RESERVOIR	2012	\$92,825	\$86,834	\$78,520	\$28,706	Completed
2012031	14	GENERATOR AT MATHIS RES PS	2012	\$61,403	\$56,294	\$47,098	\$14,163	Completed
2012033	14	GENERATOR AT SEVILLE RESERVOIR	2012	\$68,568	\$62,808	\$54,263	\$22,507	Completed
2012037	7	OSO PKWY 12"RW MAIN RELOCT	2012	\$244,898	\$173,275	\$94,898	\$173,275	Completed
2013001	7	EAST ALISO CREEK RES RECOAT & IMPROV	2013	\$2,550,000	\$2,029,229	\$1,007,460	\$246,893	Completed
2013010	7	GALLUP SEWER REPLACEMENT	2013	\$340,000	\$251,137	\$296,525	\$225,428	Completed
2014003	7	DEL AVION LS WET WELL COATING REHAB	2014	\$125,000	\$116,709	\$4,541	\$16,025	Completed
2014004	7	ENCANTAMAR 16" ABANDONMENT	2014	\$90,665	\$77,118	\$90,665	\$77,118	Completed
2014006	7	UPPER SALADA LS HEADER REPLACEMENT	2014	\$133,363	\$107,420	\$3,235	\$0	Completed
2014007	7	LA SIENA MAINLINE REPLACEMENT	2014	\$699,165	\$543,981	\$49,298	\$12,048	Completed
2014008	7	2014-15 VALVE REPLACEMENT	2014	\$655,037	\$618,770	\$426,044	\$287,824	Completed
2014018	14	FLORES AVE 8-INCH WATER INST	2014	\$300,000	\$195,789	\$254,565	\$169,782	Completed
2015005	7	FY2015-16 MH REHABILITATION	2015	\$250,000	\$296,919	\$250,000	\$296,919	Completed
2015007	7	LA PAZ TRAIL CROSS WW SIPHON REPAIR	2015	\$325,000	\$146,475	\$100,000	\$146,475	Completed
2015014	6	FY 2015-16 RW RETROFITS	2015	\$100,000	\$760	\$100,000	\$760	Completed
2015016	14	2015-16 NEW SYSTEM VALVES	2015	\$150,000	\$82,045	\$150,000	\$82,045	Completed
2015021	7	IT DEPT RECONFIGURATION	2015	\$100,000	\$61,606	\$100,000	\$61,606	Completed
Subtotal				\$8,508,063	\$9,947,444	\$4,535,519	\$2,739,816	
PROJECTS UNDER CONSTRUCTION								
2006038	7	REPLACE DIGITAL LINES W/WIRELESS N	2006	\$2,100,000	\$1,571,522	\$561,546	\$26,491	12/31/16
2006071	12	BAKER PIPELINE REGIONAL TREATMENT PLANT	2006	\$36,513,500	\$33,227,014	\$14,778,582	\$11,491,587	12/31/16
2009115	7	SAN JUAN CREEK 30 EFFLUENT TM	2009	\$3,600,000	\$2,469,021	\$1,600,228	\$2,192,775	12/31/16
2009115	7	SAN JUAN CREEK 30 EFFLUENT TM - SMWD REIMBURSEMENT	2009	(\$900,000)	(\$79,770)	(\$450,000)	(\$79,770)	Reimbursement
2013002	7	MATHIS RW RES RECOAT & IMPROVE	2013	\$800,000	\$840,821	\$780,000	\$832,016	9/30/16
2014001	7	BEAR BRAND RES RECOATING & SAFETY	2014	\$865,000	\$441,704	\$845,000	\$432,900	12/31/16
2014005	7	UTILITY MAIN BREAKERS REPLACEMENTS	2014	\$170,000	\$116,806	\$126,427	\$62,466	12/31/16
2014011	6	RECYCLED WATER SYSTEM EXTENSION	2014	\$3,080,000	\$1,687,837	\$1,500,000	\$1,583,254	9/30/16
2014013	14	PRADERA 850 ZONE LOOP	2014	\$370,000	\$59,041	\$337,194	\$17,593	12/31/16
2015002	7	2015-16 VALVE REPLACEMENT	2015	\$1,000,000	\$36,768	\$1,000,000	\$36,768	3/31/17
2015017	14	FALL PROTECTION SYSTEM - PW RESERVOIRS	2015	\$240,000	\$16,050	\$240,000	\$16,050	12/31/16
2015018	14	FALL PROTECTION SYSTEM - RW RESERVOIRS	2015	\$40,000	\$1,781	\$40,000	\$1,781	12/31/16

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TABLE 2
QUARTERLY CAPITAL IMPROVEMENT PROGRAM REPORT
MOULTON NIGUEL WATER DISTRICT
QUARTERLY PROJECT STATUS - FOURTH QUARTER - APRIL THROUGH JUNE
FISCAL YEAR: JULY 2015 TO JUNE 2016

PROJECT NUMBER	FUND	PROJECT DESCRIPTION	YEAR PROJECT APPROVED	TOTAL PROJECT AMOUNT	EXPENDED FROM INCEPTION TO DATE	FY 2015-16 ADOPTED BUDGET	FY 2015-16 EXPENDED TO DATE	ESTIMATED COMPLETION DATE
2015019	14	AMI PHASE I - POTABLE IRRIG METERS	2015	\$411,000	\$339,279	\$25,000	\$339,279	12/31/16
2015020	14	AMI PHASE I - RW IRRIG METERS	2015	\$411,000	\$361,632	\$25,000	\$361,632	12/31/16
2015023	7	NORTHERN TRANSMISSION MAIN IMPROVEMENTS N OF LA PAZ	2016	\$500,000	\$28,419	\$150,000	\$28,419	9/30/16
Subtotal				\$49,200,500	\$41,117,925	\$21,558,978	\$17,343,242	

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PROJECTS IN PROGRESS/UNDER DESIGN								
2011010	7	HILLARY PRS REPLACEMENT	2011	\$460,000	\$38,338	\$422,979	\$1,318	6/30/17
2011012	7	LARGO PRS REPLACEMENT	2011	\$460,000	\$38,986	\$423,171	\$1,925	6/30/17
2011015	7	WILKES PRS REPLACEMENT	2011	\$460,000	\$38,500	\$423,303	\$1,571	6/30/17
2012024	7	UPPER SALADA LF AUX. GENERATOR REPLACEMENT	2012	\$650,000	\$48,114	\$100,000	\$7,889	12/31/17
2013004	7	REGIONAL LS FORCE MAIN REPLACEMENT	2013	\$8,900,000	\$59,990	\$100,000	\$0	6/30/22
2013005	7	LOWER SALADA LS FORCE MAIN REPLACEMENT	2013	\$5,900,000	\$40,000	\$200,000	\$0	6/30/22
2014002	7	DEL AVION LS AUXILIARY GENERATOR REPLACEMENT	2014	\$630,000	\$56,734	\$300,000	\$7,877	6/30/17
2014010	6	ALISO VILLAGE RW EXTENSION	2014	\$150,000	\$126,907	\$95,611	\$10,972	12/31/16
2014012	7	HIDDEN HILLS VILLAGE EASEMENT REHAB	2014	\$380,000	\$43,739	\$360,000	\$20,046	12/31/17
2014015	14	DISTRICT HEADQUARTERS	2014	\$23,000,000	\$547,448	\$8,000,000	\$240,648	6/30/18
2015003	7	ALISO CREEK LS REHABILITATION	2015	\$270,000	\$7,724	\$50,000	\$7,724	6/30/17
2015004	7	CROWN VALLEY RW RES 1 AND 2 RECOAT & SAFETY	2015	\$1,480,000	\$8,203	\$50,000	\$8,203	6/30/17
2015008	7	LINDA VISTA DR SEWER LINING	2015	\$450,000	\$540	\$75,000	\$540	6/30/17
2015009	7	LOWER BOUNDARY OAK LS UPGRADE	2015	\$410,000	\$15,584	\$50,000	\$15,584	9/30/17
2015010	7	NATIONAL PARK SEWER LINING	2015	\$300,000	\$540	\$75,000	\$540	6/30/17
2015011	7	PALMS APTS EASEMENT PW LINE REPLACEMENT	2015	\$350,000	\$7,390	\$50,000	\$7,390	6/30/17
2015012	7	PASEO DE VALENCIA 24" RR CROSS ABAND	2015	\$150,000	\$9,430	\$25,000	\$9,430	6/30/17
2015022	7	CROWN VALLEY PW RES 3 RECOAT & SAFETY	2016	\$15,000	\$1,720	\$15,000	\$1,720	6/30/16
Subtotal				\$44,415,000	\$1,089,887	\$10,815,063	\$343,377	
FUTURE PROJECTS								
								Project Priority
2015013	7	RESERVOIR MANAGEMENT SYSTEMS REFURBISHMENT	2015	\$6,200,000	\$0	\$100,000	\$0	96%
2015006	7	I.D. 1 MASTER METER RELOCATION	2015	\$600,000	\$0	\$60,000	\$0	80%
2015015	7	SADDLEBACK PS AUX PUMP & ENGINE REPLACE	2015	\$1,235,000	\$0	\$50,000	\$0	78%
2011033	7	ASSET MANAGEMENT PROGRAM/CMMS	2011	\$430,000	\$0	\$150,000	\$0	70%
2011034	7	GIS VIEWER AND CONFIGURATION	2011	\$60,000	\$0	\$60,000	\$0	48%
	7	54-INCH CIP IMPROVEMENTS		\$1,700,000	\$0	\$0	\$0	76%
	7	MATHIS PUMP IMPROVEMENTS		\$400,000	\$0	\$0	\$0	74%
	7	NORTH ALISO CREEK LS BYPASS REPLACEMENT		\$240,000	\$0	\$0	\$0	74%
2009010	14	MISSION HOSPITAL SECONDARY FEED	2009	\$400,000	\$0	\$0	\$0	72%
	14	LS GENERATOR EMERGENCY CONNECTIONS		\$430,000	\$0	\$0	\$0	70%
	14	920 ZONE LOOP PIPELINE		\$200,000	\$0	\$0	\$0	66%
2011037	7	MISSION VIEJO HS LINE/VAULT REFURB	2011	\$200,000	\$0	\$0	\$0	64%
2011043	14	3A OUTFALL LINE VALVES	2011	\$450,000	\$0	\$0	\$0	64%
2011043	14	3A OUTFALL LINE VALVES - REIMBURSEMENT	2011	(\$225,000)	\$0	\$0	\$0	Reimbursement
2011045	14	N ALISO LS SITE IMPROVEM	2011	\$240,000	\$9,990	\$0	\$0	64%
	7	3A ETM CREEK BANK STABILIZATION		\$2,000,000	\$0	\$0	\$0	64%
	7	3A ETM REPLACEMENT - AVE DE LA VISTA		\$2,475,000	\$0	\$0	\$0	64%

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MOULTON NIGUEL WATER DISTRICT
QUARTERLY PROJECT STATUS - FOURTH QUARTER - APRIL THROUGH JUNE
FISCAL YEAR: JULY 2015 TO JUNE 2016

PROJECT NUMBER	FUND	PROJECT DESCRIPTION	YEAR PROJECT APPROVED	TOTAL PROJECT AMOUNT	EXPENDED FROM INCEPTION TO DATE	FY 2015-16 ADOPTED BUDGET	FY 2015-16 EXPENDED TO DATE	ESTIMATED COMPLETION DATE
FUTURE PROJECTS								
								Project Priority
	7	3A ETM REPLACEMENT - CAMINO CAPO		\$3,500,000	\$0	\$0	\$0	64%
	7	3A ETM IMPROVEMENTS - SMWD REIMBURSEMENT		(\$4,437,500)	\$0	\$0	\$0	Reimbursement
	14	SECONDARY FEED FOR 1050 ZONE		\$600,000	\$0	\$0	\$0	64%
	12	SOUTH COUNTY PIPELINE TAKEOUT FACILITY		\$2,200,000	\$0	\$0	\$0	64%
2011032	7	OLD RANCH ROAD EASEMENT REFURBISHM	2011	\$200,000	\$0	\$0	\$0	60%
2011077	14	MOULTON PEAK RADIO TOWER IMPROVEME	2011	\$235,000	\$0	\$0	\$0	60%
	7	ALISO CREEK LS AUXILIARY GENERATOR REPLACEMENT		\$530,000	\$0	\$0	\$0	60%
	7	SOUTHWING LS AUXILIARY GENERATOR REPLACEMENT		\$580,000	\$0	\$0	\$0	60%
	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%
	14	OSO CREEK SEWER PARALLEL PIPELINE		\$1,950,000	\$0	\$0	\$0	56%
2012016	7	LITTLE NIGUEL PS ROOF REPLACEMENT	2012	\$20,000	\$0	\$0	\$0	56%
	7	HIGHLAND PUMP PRESSURE RELIEF TO 650 ZONE		\$75,000	\$0	\$0	\$0	54%
	7	LN REG PARK RW VAULT RECONFIGURATION		\$150,000	\$0	\$0	\$0	54%
	12	PRESSURE REDUCING STATION AT SADDLEBACK RW RES		\$200,000	\$0	\$0	\$0	54%
2012011	7	EASEMENT REHABILITATION PROGRAM - Phase 1	2012	\$7,850,000	\$0	\$0	\$0	52%
	7	EASEMENT REHABILITATION PROGRAM - Phase 2		\$6,000,000	\$0	\$0	\$0	52%
	14	SADDLEBACK PS GENERATOR EMERGENCY CONNECTION		\$60,000	\$0	\$0	\$0	48%
2010001	14	650-ZONE NIGUEL ROAD INTERTIE	2010	\$320,000	\$0	\$0	\$0	46%
2011024	7	DOCUMENT MANAGEMENT	2011	\$389,000	\$110,931	\$0	\$0	46%
	7	PZ450 ALISO CREEK POTABLE LINE RELOCATION		\$300,000	\$0	\$0	\$0	46%
	7	VAULT REMOVAL (11 SITES)		\$610,000	\$0	\$0	\$0	44%
2011026	7	RANCHO UNDERGROUND PWPS REFURBISHM	2011	\$250,000	\$4,815	\$0	\$0	44%
	7	3A ETM SJ CREEK-COUNTY OF ORANGE PHASE VIII		\$900,000	\$0	\$0	\$0	42%
	7	PACIFIC PARK PS PUMP & ENGINE REPLACEMENT		\$600,000	\$0	\$0	\$0	42%
	7	ROLLING HILLS PS ENGINE & PUMP REPLACEMENT		\$675,000	\$0	\$0	\$0	42%
	7	SHEEP HILL PS ENGINE& PUMP REPLACEMENT		\$1,040,000	\$0	\$0	\$0	42%
2012010	7	CVP 16-INCH PW LINE REHABILITATION	2012	\$650,000	\$0	\$0	\$0	42%
	7	BEAR BRAND PS PUMP REPLACEMENT		\$410,000	\$0	\$0	\$0	42%
	7	LITTLE NIGUEL PS PUMP REPLACEMENT		\$250,000	\$0	\$0	\$0	42%
	14	MARGUERITE/OSO CIP TAKEOUT		\$2,500,000	\$0	\$0	\$0	38%
	14	SECURITY ENHANCEMENTS		\$1,000,000	\$0	\$0	\$0	32%
2011028	7	VALENCIA LS REFURBISHMENT	2011	\$200,000	\$0	\$0	\$0	20%
2008049	12	SOUTH ORANGE COASTAL OCEAN DESAL	2008	\$700,000	\$690,763	\$0	\$0	on-hold
2010013	12	LA PAZ BRIDGE CROSSING RW PIPELINE	2010	\$435,000	\$56,880	\$0	\$0	on-hold
Subtotal				\$50,976,500	\$873,379	\$420,000	\$0	

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FISCAL YEAR: JULY 2015 TO JUNE 2016

PROJECT NUMBER	FUND	PROJECT DESCRIPTION	YEAR PROJECT APPROVED	TOTAL PROJECT AMOUNT	EXPENDED FROM INCEPTION TO DATE	FY 2015-16 ADOPTED BUDGET	FY 2015-16 EXPENDED TO DATE	ESTIMATED COMPLETION DATE	REMAINING BALANCE
SOCWA & JRWSS PROJECTS									
JRWSS16	7	SCWD/JRWSS CAPITAL PROJECT	2015	\$13,336,378	\$0	\$65,274	\$0		\$65,274
SMWD	7	SMWD CAPITAL PROJECTS-JOINT FACILITIES	2015	\$186,000	\$0	\$186,000	\$0		\$186,000
SOCWA124	7	2015/16 SOCWA CAPITAL PC 2(R)	2015	\$14,632,161	\$2,911,674	\$2,461,955	\$2,911,674		\$0
SOCWA125	7	2015/16 SOCWA PC 3A(R)	2015	\$12,335,357	\$1,150,569	\$1,091,754	\$1,150,569		\$0
SOCWA126	7	2015/16 SOCWA PC 5	2015	\$0	\$31,020	\$0	\$31,020		\$0
SOCWA127	7	2015/16 SOCWA CAPITAL PC 15(R)	2015	\$9,829,078	\$194,120	\$404,615	\$194,120		\$210,495
SOCWA128	7	2015/16 SOCWA CAPITAL PC 17(R)	2015	\$31,851,266	\$5,184,405	\$5,090,343	\$5,184,405		\$0
	7	2015/16 SOCWA CAPITAL PC 21	2015	\$0	\$0	\$0	\$0		\$0
	7	2015/16 SOCWA CAPITAL PC 24	2015	\$3,909,923	\$0	\$0	\$0		\$0
SOCWA129	7	2015/16 SOCWA CAPITAL PC OTH	2015	\$0	\$210,093	\$0	\$210,093		\$0
Subtotal				\$86,080,163	\$9,681,880	\$9,299,939	\$9,681,880		\$461,769
PROGRAMS									
UP1516RR	7	UNANTICIPATED PROJECTS FUND 7	2015	\$300,000	N/A	\$300,000	\$265,000		\$35,000
UP1516PC	14	UNANTICIPATED PROJECTS FUND 14	2015	\$150,000	N/A	\$150,000	\$0		\$150,000
	7	PW PROJECTS PER ASSET MANAGEMENT MODEL	2015	\$8,875,000	N/A	N/A	N/A		N/A
	7	RESERVOIR RECOATING PROGRAM	2015	\$4,950,000	N/A	N/A	N/A		N/A
	7	VALVE REPLACEMENT PROGRAM	2015	\$4,500,000	N/A	N/A	N/A		N/A
	12	RECYCLED WATER RETROFITS	2015	\$450,000	N/A	N/A	N/A		N/A
	7	RESERVOIR RECOATING - RW PROGRAM	2015	\$2,648,000	N/A	N/A	N/A		N/A
	7	RW PROJECT PER ASSET MANAGEMENT MODEL	2015	\$7,536,000	N/A	N/A	N/A		N/A
	7	MH REHABILITATION PROGRAM	2015	\$3,150,000	N/A	N/A	N/A		N/A
	7	SEWER LINING PROGRAM	2015	\$2,400,000	N/A	N/A	N/A		N/A
	7	WW PROJECT PER ASSET MANAGEMENT MODEL	2015	\$5,962,000	N/A	N/A	N/A		N/A
Subtotal				\$40,921,000		\$450,000	\$265,000		\$185,000
TOTAL				\$279,836,226	\$62,710,515	\$46,814,499	\$30,108,316		

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