



**ENGINEERING, OPERATIONS, AND
WATER RESOURCES
COMMITTEE MEETING
OF THE BOARD OF DIRECTORS
INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS, CHINO, CALIFORNIA**

**WEDNESDAY, JUNE 14, 2017
9:45 A.M.**

***Or immediately following the
Community & Legislative Affairs
Committee Meeting***

CALL TO ORDER

PUBLIC COMMENT

Members of the public may address the Board on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Board on any matter, whether or not it appears on the agenda, are requested to complete and submit to the Board Secretary a "Request to Speak" form which is available on the table in the Board Room. Comments will be limited to five minutes per speaker. Thank you.

ADDITIONS TO THE AGENDA

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted.

1. ACTION ITEMS

A. MINUTES

The Committee will be asked to approve the Engineering, Operations, and Water Resources Committee meeting minutes from the May 10, 2017 meeting.

B. CONTRACT AWARD FOR MIDGE FLY TREATMENT

It is recommended that the Committee/Board:

1. Award Contract No. 4600002329 to West Valley Mosquito and Vector Control District (WVMVCD) establishing a new contract through June 30, 2019, for midge fly treatment services at recharge basins for a not-to-exceed amount of \$200,000; and
2. Authorize the General Manager to execute the contract.

C. BASIN IMPROVEMENT CONSULTING AWARD

It is recommended that the Committee/Board:

1. Award a consulting engineering services contract for the Recharge Master Plan Update Basin Improvement Projects, Project Nos. RW15003 and RW15004, to Carollo Engineering, Inc. for the not-to-exceed amount of \$1,510,628; and
2. Authorize the General Manager to execute the contract subject to non-substantive changes.

D. CONTRACT AMENDMENT – ROTATING MACHINERY

It is recommended that the Committee/Board:

1. Amend and increase the not-to-exceed amount of Contract No. 4600001864 to Vaughan's Industrial Repair, Inc. by \$300,000 to provide repair, rebuild, or refurbishment services of rotating machinery for a total aggregate not-to-exceed amount of \$690,000 over the existing three-year period with a one-year option to extend; and
2. Authorize the General Manager to negotiate and finalize the contract amendment.

E. RP-1 CONSULTANT AWARD – DIGESTER NO. 6 AND 7 ROOF REPAIRS

It is recommended that the Committee/Board:

1. Award a consulting engineering services contract for the RP-1 Digester Nos. 6 and 7 Roof Repairs, Project No. EN17042, to GHD, Inc., for the not-to-exceed amount of \$130,406; and
2. Authorize the General Manager to execute the contract subject to non-substantive changes.

F. CHINO BASIN WATER BANK: COST SHARING LETTER AGREEMENT AMENDMENT AND CONSULTANT CONTRACT AWARD

It is recommended that the Committee/Board:

1. Approve a task order to master services contract 4600002275 for consulting services related to the Chino Basin Water Bank Program, Project No. WR18028, to Arcadis U.S., Inc. for the not-to-exceed amount of \$472,687;
2. Amend the Cost Sharing Letter agreement with the Chino Basin Water Bank parties to increase the not-to-exceed cost sharing amount of \$150,000 per party; and
3. Authorize the General Manager to execute the task order and the cost sharing letter agreement amendment, subject to non-substantive changes.

G. SANTA ANA RIVER CONSERVATION AND CONJUNCTIVE USE PROGRAM (SARCCUP) COST SHARING LETTER AGREEMENT – CONSERVATION MEASURES

It is recommended that the Committee/Board:

1. Approve the SARCCUP Cost Sharing Letter Agreement for Conservation Measures for the not-to-exceed amount of \$165,200; and
2. Authorize the General Manager to execute the requisite document.

2. INFORMATION ITEM

RECEIVE AND FILE INFORMATION ITEM

A. ENGINEERING AND CONSTRUCTION MANAGEMENT PROJECT UPDATES (POWERPOINT)

3. GENERAL MANAGER'S COMMENTS

4. COMMITTEE MEMBER COMMENTS

5. COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS

6. ADJOURN

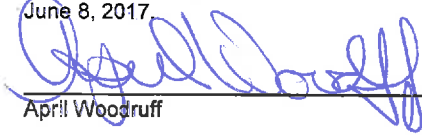
*A Municipal Water District

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary (909-993-1736), 48 hours prior to the scheduled meeting so that the Agency can make reasonable arrangements.

Proofed by: 

DECLARATION OF POSTING

I, April Woodruff, Board Secretary of the Inland Empire Utilities Agency, A Municipal Water District, hereby certify that a copy of the agenda has been posted by 5:30 p.m. in the foyer at the Agency's main office, 6075 Kimball Ave., Building A, Chino, CA on Thursday, June 8, 2017.



April Woodruff

**ACTION
ITEM
1A**



MINUTES

ENGINEERING, OPERATIONS, AND WATER RESOURCES COMMITTEE MEETING INLAND EMPIRE UTILITIES AGENCY* AGENCY HEADQUARTERS, CHINO, CA

WEDNESDAY, MAY 10, 2017
9:45 A.M.

COMMITTEE MEMBERS PRESENT

Michael Camacho, Chair
Kati Parker

STAFF PRESENT

Chris Berch, Executive Manager of Engineering/AGM
Jerry Burke, Deputy Manager of Engineering
Jason Gu, Grants Officer
Liz Hurst, Water Resources Planner
Joel Ignacio, Senior Engineer
Randy Lee, Executive Manager of Operations/AGM
Sally Lee, Executive Assistant
Nasrin Maleki, Senior Engineer
David Malm, Deputy Manager of Integrated Systems Services
Laura Mantilla, Executive Assistant
Jason Marseilles, Senior Engineer
Jesse Pompa, Senior Engineer
Shaun Stone, Manager of Engineering
Teresa Velarde, Manager of Internal Audit
Christina Valencia, Chief Financial Officer/AGM
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT

Mark Blindauer, Western AV
Steven Kerns, CivicSpark
Ana Lopez, CivicSpark

The meeting was called to order at 9:36 a.m. There were no public comments received or additions to the agenda.

ACTION ITEMS

The Committee:

- ◆ Approved the Engineering, Operations, and Water Resources Committee meeting minutes of April 12, 2017.

◆ Recommended that the Board:

1. Approve a consulting engineering services contract amendment for the design of the RP-5 Liquids Expansion and Solids Treatment Facility, Liquids Expansion and Solids Treatment Facility, Project Nos. EN19001 and EN19006, to Parsons Water & Infrastructure, Inc. for the not-to-exceed amount of \$17,993,680; and
2. Authorize the General Manager to execute the consulting engineering services contract amendment.

as an Action Item on the May 17, 2017 Board meeting agenda.

◆ Recommended that the Board:

1. Award a construction contract for the RP-1 and RP-4 Safety Improvements, Project No. EN17052, to Ferreira Construction, Inc. in the amount of \$635,376;
2. Approve a total project budget amendment in the amount of \$189,000 for Project No. EN17052; and
3. Authorize the General Manager to execute the construction contract and budget amendment;

as a Consent Calendar Item on the May 17, 2017 Board meeting agenda.

◆ Recommended that the Board:

1. Amend the consulting engineering services contract for the SCADA Enterprise System Project No. EN13016, to Westin Engineering, Inc., in the amount of \$389,020; and
2. Authorize the General Manager to execute the contract the consulting engineering services contract subject to non-substantive changes;

as a Consent Calendar Item on the May 17, 2017 Board meeting agenda.

◆ Recommended that the Board:

1. Award a consulting engineering service contract for the RP-1 1158 Recycled Water Pump State Upgrades, Project No. EN14042, to Stantec for the not-to-exceed amount of \$428,000; and
2. Authorize the General Manager to execute the consulting engineering services contract;

as a Consent Calendar Item on the May 17, 2017 Board meeting agenda.

◆ Recommended that the Board:

1. Award a construction contract for the RP-1 thickened waste activated sludge (TWAS) Piping Replacement, Project No. EN15013, to J.F. Shea Construction, Inc., in the amount of \$242,492; and
2. Authorize the General Manager to execute the construction contract;

as a Consent Calendar Item on the May 17, 2017 Board meeting agenda.

◆ Recommend that the Board:

1. Approve Amendment No. 3 of Task Order No. 1 with Chino Basin Watermaster (Watermaster) for the design of multiple basin improvements under the Recharge Master Plan Update (RMPU) projects;
2. Approve Amendment No. 1 of Task Order No. 2 with Watermaster for the design and construction of the RMPU's Lower Day Basin improvements;
3. Approve Amendment No. 2 of Task Order No. 8 with Watermaster for the design and construction of the RMPU's San Sevaine Basin improvements;
4. Approve Task Order No. 9 with Watermaster for the design and construction of the RMPU's Wineville/Jurupa/RP-3 Basins;
5. Approve Task Order No. 10 with Watermaster for the design and construction of the RMPU's Victoria Basin improvements;
6. Approve Task Order No. 11 with Watermaster for the design and construction of the RMPU's Montclair Basin improvements;
7. Approve Task Order No. 12 with Watermaster for the design and construction of the RMPU's CSI Basin improvements; and
8. Authorize the General Manager to finalize and execute these task order amendments and new task orders subject to non-substantive changes;

as a Consent Calendar Item on the May 17, 2017 Board meeting agenda.

INFORMATION ITEMS

The following information items were presented or received and filed by the Committee:

- ◆ Upper Santa Ana River Habitat Conservation Plan and River Model Update
- ◆ California Data Collaborative Membership Update
- ◆ Engineering and Construction Management Project Updates

GENERAL MANAGER'S COMMENTS

Acting General Manager Christina Valencia had no comments.

COMMITTEE MEMBER COMMENTS

There were no Committee Member comments.

COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS

There were no Committee Member requested future agenda items.

With no further business, Director Camacho adjourned the meeting at 10:26 a.m.
Respectfully submitted,

April Woodruff
Board Secretary/Office Manager

*A Municipal Water District

APPROVED: JUNE 14, 2017

**ACTION
ITEM
1B**



Date: June 21, 2017

To: The Honorable Board of Directors

Through: Engineering, Operations, and Biosolids Management Committee (6/14/17)

From: P. Joseph Grindstaff *P. J. Grindstaff*
General Manager

Submitted by: Randy Lee *CL for R. Lee*
Executive Manager of Operations/Assistant General Manager

Rick Mykitta *CL for R. Mykitta*
Manager of Operations and Maintenance

Subject: Contract Award for Midge Fly Treatment

RECOMMENDATION

It is recommended that the Board of Directors:

1. Award Contract No. 4600002329 to West Valley Mosquito and Vector Control District (WVMVCD) establishing a new contract through June 30, 2019, for midge fly treatment services at recharge basins for a not-to-exceed amount of \$200,000; and
2. Authorize the General Manager to execute the contract.

BACKGROUND

The recharge basins in the Chino Basin are supplied with water and thus provide suitable conditions for midge flies, an aquatic insect that inhabits fresh water bodies throughout the world. While the presence of midge flies within a water body is an indicator of a healthy aquatic system, a significant population size of midge flies can become a nuisance to the surrounding community by swarming or by contact with people and buildings. Unlike mosquitoes, midge flies do not bite and are not a vector for disease. With warm weather, midge fly outbreaks can be anticipated and would result in complaints from residents living adjacent to active recharge sites. As such, WVMVCD continues to recommend that IEUA proactively sample and treat midge fly populations before they become a public nuisance.

IEUA currently has a contract (4600001970) with the WVMVCD for vector control services at IEUA treatment facilities and at groundwater recharge facilities. The recharge program was added to an existing contract in March 2016, when the General Manager approved a contract amendment with WVMVCD, utilizing his authority to authorize emergency procurements under Procurement Ordinance 101. The current contract contains amendments for vector control services for the recharge program through June 30, 2017.

To streamline the administration of vector control activities, IEUA and WVMVCD staff would prefer separate contracts for the treatment facilities and for the groundwater recharge program. Having two contracts will simplify invoices by WVMVCD and increase efficiency of invoice payment and tracking by IEUA. Staff are thus recommending a new contract (4600002329) for vector control services to be used only by the recharge program.

The midge fly treatment supports the IEUA objective to be a “Good Neighbor” under the business goal of Environmental Stewardship, as well as the objective of “maximizing the recharge of recycled water” under the business goal of Water Reliability.

PRIOR BOARD ACTION

In April 2016, the Board approved contract amendment 4600001970-002 with WVMVCD through June 2016 for midge fly treatment for \$120,000. Subsequent amendments for services have increased the value and extended the term of the contract through June 30, 2017.

In 2014, the Board approved the purchase of an ARGO amphibious vehicle for midge fly treatment and approved a contract to WVMVCD for midge fly sampling and control investigation.

IMPACT ON BUDGET

If approved, the anticipated expenses of \$100,000 for Fiscal Years 2017/18 and 2018/19 will be funded from the Groundwater Recharge’s professional fees and services budget.



**CONTRACT NUMBER: 4600002329
FOR
MIDGE FLY TREATMENT SERVICES
AT THE
RECHARGE BASINS**

THIS CONTRACT (the "Contract"), is made and entered into this ____ day of _____, 2017, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to as "Agency" or "IEUA"), and West Valley Mosquito and Vector Control District (WVMVCD), of Ontario, California (hereinafter referred to as "Contractor"), for the provision of Midge Fly Treatment and Control Services.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties agree as follows:

1. AGENCY PROJECT MANAGER ASSIGNMENT: All technical direction related to this Contract shall come from the designated Project Manager. Details of the Agency's assignment are listed below.

Project Manager: Andy Campbell, Groundwater Recharge
Coordinator/Hydrogeologist

Address: 6075 Kimball Avenue, HQ-B
Chino, California 91708

Telephone: 909-993-1907

Facsimile: 909-993-1987

Email: acampbell@ieua.org

Cell: 951-295-7523

2. CONTRACTOR ASSIGNMENT: Special inquiries related to this Contract and the effects of this Contract shall be referred to the following:

Contractor: Michelle Brown, District Manager

Address: 1295 East Locust Street
Ontario, California 91761

Telephone: 909-635-0307

Facsimile: 909-635-0405

Email: emason@wvmvcd.org

Cell: 909-234-3912

3. **ORDER OF PRECEDENCE:** The documents referenced below represent the Contract Documents. Where any conflicts exist between the General Terms and Conditions the governing order of precedence shall be as follows:
1. Amendments to Contract Number 4600002329
 2. Contract Number 4600002329 General Terms and Conditions.
4. **SCOPE OF WORK AND SERVICES:** Contractor services and responsibilities shall include and be in accordance with the following:
- A. Contractor shall provide professional midge fly treatment services. Unless modified by amendment, to this contract, midge fly treatment services shall be provided in accordance with the Contractor's proposal letter dated February 24, 2016, attached as Exhibit 1, and incorporated into this contract by reference.
 - B. Contractor shall be responsible for the timely completion of Midge Fly population surveys (scheduled and completed by the Contractor, though coordinated with the Agency's Project Manager, or designee). Based on the survey results, Contractor shall notify IEUA, by email, when basin treatments are deemed necessary. Upon agreement, that treatment services are needed, Contractor and IEUA shall agree upon a Schedule of Work and Services.
 - C. Contractor shall coordinate with the Agency's Project Manager with regard to the ongoing flexibility of the Schedule of Work and Services. Contractor will be responsible for communicating, in advance, any modifications to the previously agreed-upon Schedule of Work and Services. The Schedule of Work and Services will be, routinely, prepared and submitted, to the Project Manager, for review and approval.
 - D. Method of Inspection:
 1. Work performed under this Contract may be required to undergo routine monitoring and inspection.
 2. The Project Manager will be responsible for performance of the inspections, and any reporting associated with the documentation of monitoring and inspection results.
 3. If Contractor fails an inspection, the Project Manager will be responsible for providing a written notice to the Contractor explaining the situation noted and a determination of the urgency for the correction of the situation (herein referred to as a "Cure Notice").

- E. Cure Procedure:
1. For a Cure Notice deemed by the Agency to be **urgent**, Contractor shall address the actions needed to correct situation within three (3) calendar days after Contractor's receipt of a Cure Notice, as directed by the Project Manager.
 2. For a Cure Notice deemed by the Agency to be **important**, Contractor shall address the actions needed to correct situation within seven (7) calendar days after Contractor's receipt of a Cure Notice, as directed by the Project Manager.
 3. If the Project Manager rejects all, or any part of, the Work as unacceptable and agreement to correct such Work cannot be reached without modification to the Contract, Contractor shall notify the Project Manager, in writing, detailing the dispute and the reason(s) for the Contractor's position. Any dispute that cannot be resolved between the Project Manager and Contractor shall be resolved in accordance with the provisions of this Contract.
- F. The Agency may, at any time, make changes to this Contract's Scope of Work; including additions, reductions, and other alterations to any or all of the Work. However, such changes shall only be made via written amendment to this Contract. The Contract compensation and Schedule of Work and Services shall be equitably adjusted, if required, to account for such changes and shall be set forth within the mutually approved Contract Amendment.
5. **TERM:** The term of this Contract shall extend from the date of the Notice to Proceed, and shall terminate upon the completion of Midge Fly Treatment Services, or June 30, 2019, whichever occurs first, unless agreed upon by both parties, reduced to writing, and amended to this Contract.
6. **PAYMENT, INVOICING, AND COMPENSATION:**
- A. The Contractor may submit an invoice not more than once per month during the term of this Contract to the Agency's Accounts Payable Department. Agency shall pay Contractor's properly executed invoice, approved by the Project Manager, within thirty (30) days following receipt of the invoice.
 - B. As compensation for the Work performed under this Contract, Agency shall pay Contractor's monthly invoices, for a total contract price NOT-TO-EXCEED **\$200,000** for all services satisfactorily provided during the term of this Contract.
 - C. Additionally, to qualify for payment, the Contractor shall prominently display, on the first page of the invoice, both:
 1. The Contract Number – 4600002329, and;
 2. The Contract Release Purchase Order Number – 45000_____

If Contractor submits invoice by email, such invoice shall be submitted as follows:

APGroup@ieua.org

Scan the invoice as a PDF file.

Attach the scanned file to an email.

If Contractor submits invoice by mail, such invoice shall be submitted as follows:

Inland Empire Utilities Agency

Re: Contract Number: 4600002329

P.O. Box 9020

Chino Hills, CA 91709

- D. Concurrent with the submittal of the original invoice to the Agency's Accounts Payable Department, the Contractor shall forward (mail, fax, or email) a copy of the invoice to the designated Project Manager, identified in Section 1, on Page 1 of this Contract.
- E. No Additional Compensation: Nothing set forth in this Contract shall be interpreted to require payment by Agency to Contractor of any compensation specifically for the assignments and assurances required by the Contract, other than the payment of expenses as may be actually incurred by Contractor in complying with this Contract, as approved by the Project Manager.
- F. Commencing on June 30, 2019, (if the Contract term is extended) and continuing each year thereafter, the Contractor may propose modifications to the prices provided in the Price Schedule of this contract (initially \$80 per hour). The Price Schedule may be adjusted, plus or minus, by a sum equal to the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U), within the Los Angeles-Anaheim-Riverside, California index area. The basis for computing the adjustment to the contract prices shall reflect the percentage change for the twelve-month period from May 31st to May 31st starting with the period of May 31, 2018, to May 31, 2019, and continuing every twelve months thereafter. Despite any changes in the CPI-U for any given twelve-month adjustment period, adjustments to the prices provided in the Proposed Price Schedule shall not increase or decrease more than five (5) percent during any single twelve-month adjustment period.

In the event the CPI-U is changed so that the base period differs from 1982-84=100, then the index applied, as provided for above, shall be corrected in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics, or their successor. If the CPI-U is discontinued or revised, such other government index or computation with which it is replaced shall be used to obtain, substantially, the same results as would have been obtained if the CPI-U had not been discontinued or revised.

- G. Contractor may request taking advantage of the Agency's practice of offering an expedited payment protocol to a Contractor who has proposed accepting an invoice amount reduction in exchange for early payment; when proposed by the Contractor, and accepted by the Agency, applying a (1%, 2%, or 5%) discount (defined as an invoice amount reduction) to monthly invoices in exchange for payment of invoice(s) within (20, 15, or 10) days, respectively, of the date the invoice is received at the Agency's APGroup@ieua.org email address.
7. **CONTROL OF THE WORK:** The Contractor shall perform the Work in compliance with the Schedule of Work and Services. If performance of the Work falls behind schedule, the Contractor shall accelerate the performance of the Work to comply with the Schedule of Work and Services as directed by the Project Manager. If the nature of the Work is such that Contractor is unable to accelerate the Work, Contractor shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Schedule of Work and Services.
8. **INSURANCE:** During the term of this Contract, the Contractor shall maintain, at Contractor's sole expense, the following insurance.
- A. **Minimum Scope of Insurance:** Coverage shall be at least as broad as:
1. **Commercial General Liability ("CGL"):** Insurance Services Office ("ISO") Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
 2. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, covering hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
 3. **Workers' Compensation and Employers Liability:** Workers' compensation limits as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
- B. **Deductibles and Self-Insured Retention:** Any deductibles or self-insured retention must be declared to and approved by the Agency. At the option of the Agency, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Agency, its officers, officials, employees and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

C. Other Insurance Provisions: The insurance policies are to contain, or be endorsed to contain, the following provisions:

1. Commercial General Liability and Automobile Liability Coverage

- a. Additional Insured Status: The Agency, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment supplied in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85; or by either CG 20 10, CG 20 26, CG 20 33, or CG 20 38 and CG 20 37 forms if later revisions are used).
- b. Primary Coverage: The Contractor's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the Agency, its officer, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, volunteers, property owners or engineers under contract with the Agency shall be excess of the Contractor's insurance and shall not contribute with it.
- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees or volunteers.
- d. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- e. The Contractor may satisfy the limit requirements in a single policy or multiple policies. Any additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

2. Workers' Compensation and Employers Liability Coverage

Contractor hereby grants to Agency a waiver of any right to subrogation which any insurer of the Contractor may acquire against the Agency by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Agency has received a waiver of subrogation endorsement from the insurer.

3. All Coverages

Each insurance policy required by this Contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Agency pursuant to Section 14, page 12 of this Contract.

- D. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A minus:VII, and who are admitted insurers in the State of California.
- E. Verification of Coverage: Contractor shall provide the Agency with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the Agency before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The Agency reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
- F. Submittal of Certificates: Contractor shall submit all required certificates and endorsements to the following:

Inland Empire Utilities Agency
Attn: Angela Witte
P.O. Box 9020
Chino Hills, CA 91709

9. FITNESS FOR DUTY:

- A. Fitness: Contractor and its Subcontractor personnel on the Jobsite:
1. Shall report to work in a manner fit to do their job;
 2. Shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the Work is not affected thereby); and
 3. Shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of the Agency.

- B. Compliance: Contractor shall advise all personnel and associated third parties of the requirements of this Contract ("Fitness for Duty Requirements") before they enter on the Jobsite and shall immediately remove from the Jobsite any employee determined to be in violation of these requirements. Contractor shall impose these requirements on its Subcontractors. Agency may cancel the Contract if Contractor violates these Fitness for Duty Requirements.

10. LEGAL RELATIONS AND RESPONSIBILITIES:

- A. Professional Responsibility: The Contractor shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.
- B. Status of Contractor: The Contractor is retained as an independent Contractor only, for the sole purpose of providing the services described herein, and is not an employee of the Agency.
- C. Observing Laws and Ordinances: The Contractor shall keep itself fully informed of all existing and future state and federal laws and all county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Contractor shall at all times observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, the Agency, its officers, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Contractor, its employees, or subcontractors.
- D. Subcontract Services: Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Project Manager and shall comply with State of California, Department of Industrial Relations, SB 854 requirements.
- E. Grant Funded Projects: This is/is not a grant funded project. For grant-funded projects, the Contractor shall be responsible for compliance with all grant requirements related to the Project. These may include, but shall not be limited to: Davis-Bacon Act, Endangered Species Act, Executive Order 11246 (Affirmative Action Requirements), Equal Opportunity, Competitive Solicitation, Record Retention and Public Access to Records, and Compliance Review.
- F. Hours of Labor: The Contractor shall comply with all applicable provisions of California Labor Code Sections 1810 to 1815 relating to working hours. The Contractor shall, as a penalty to the Agency, forfeit \$25.00 for each worker employed in the completion of the Contract by the Contractor or by any

subcontractor for each calendar day during which such worker is required or permitted to work more than eight hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of the Labor Code.

- G. Travel and Subsistence Pay: The Contractor shall make payment to each worker for travel and subsistence payments which are needed to complete the work and/or service, as such travel and subsistence payments are defined in an applicable collective bargaining agreements with the worker.
- H. Liens: Contractor shall pay all sums of money that become due from any labor, services, materials or equipment provided to Contractor on account of said services to be rendered or said materials to be provided under this Contract and that may be secured by any lien against the Agency. Contractor shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.
- I. Indemnification: Contractor shall indemnify the Agency, its directors, employees, and assigns, and shall defend and hold them harmless from all liabilities, demands, actions, claims, losses and expenses, including reasonable attorneys' fees, which arise out of, or are related to, the negligence, recklessness or willful misconduct of the Contractor, its directors, employees, agents, and assigns, in the performance of work under this contract.
- J. Conflict of Interest: No official of the Agency, who is authorized in such capacity and on behalf of the Agency to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.
- K. Equal Opportunity: During the performance of this Contract, the Contractor shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin. The Agency is committed to creating and maintaining an environment free from harassment and discrimination.
- L. Disputes:
 - 1. All disputes arising out of or in relation to this Contract shall be resolved in accordance with this section. The Contractor shall pursue the work to completion in accordance with the instruction of the Agency's Project Manager notwithstanding the existence of a dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract which remain unresolved after the exhaustion of the procedures

provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et seq., or their successor.

2. Any and all disputes prior to the work starting shall be subject to resolution by the Agency's Project Manager; and the Contractor shall comply, with the Agency Project Manager instructions. If the Contractor is not satisfied with the resolution directed by the Agency Project Manager, they may file a written protest with the Agency Project Manager within seven (7) calendar days after receiving written directive of the Project Manager's decision. Failure by Contractor to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Project Manager's resolution. The Project Manager shall submit the Contractor's written protests to the General Manager, together with a copy of the Project Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of the protest-related documents. The General Manager shall make his or her determination with respect to each protest filed with the Project Manager within ten (10) calendar days after receipt of the protest-related documents. If Contractor is not satisfied with any such resolution by the General Manager, they may file a written request for arbitration with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager's decision.
3. In the event of arbitration, the parties to this contract agree that there shall be a single neutral Arbitrator who shall be selected in the following manner:
 - a. The Demand for Arbitration shall include a list of five names of persons acceptable to the Contractor to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Contractor are acceptable and, if so, such person will be designated as Arbitrator.
 - b. In the event that none of the names submitted by Contractor are acceptable to Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Contractor a list of five names of persons acceptable to Agency for appointment as Arbitrator. The Contractor shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.
 - c. If after Steps (a) and (b), the parties are unable to mutually agree upon a neutral Arbitrator, the matter of selection of an Arbitrator shall be submitted to the San Bernardino County Superior Court pursuant to Code of Civil Procedure Section 1281.6, or its successor. The costs of arbitration, including but

not limited to reasonable attorneys' fees, shall be recoverable by the party prevailing in the arbitration. If this arbitration is appealed to a court pursuant to the procedure under California Code of Civil Procedure Section 1294, et seq., or their successor, the costs of arbitration shall also include court costs associated with such appeals, including but not limited to reasonable attorneys' fees which shall be recoverable by the prevailing party.

4. **Association in Mediation/Arbitration:** The Agency may join the Contractor in mediation or arbitration commenced by a contractor on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such association shall be initiated by written notice from the Agency's representative to the Contractor.

M. **Workers' Legal Status:** For performance against this Contract, Contractor shall only utilize employees and/or subcontractors that are authorized to work in the United States pursuant to the Immigration Reform and Control Act of 1986.

11. **OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY:** The Agency retains ownership of any, and all, partial or complete reports, drawings, plans, notes, computations, lists, and/or other materials, documents, information, or data prepared by the Contractor and/or the Contractor's subcontractor(s) pertaining to this Contract. Said materials and documents are confidential and shall be available to the Agency from the moment of their preparation, and the Contractor shall deliver them to the Agency whenever requested to do so by the Project Manager and/or Agency representative. The Contractor agrees that all documents shall not be made available to any individual or organization, private or public, without the prior written consent of an Agency representative.

12. **TITLE AND RISK OF LOSS:**

A. **Documentation:** Title to the Documentation shall pass to the Agency when prepared; however, a copy may be retained by Contractor for its records and internal use. Contractor shall retain such Documentation in a controlled access file, and shall not reveal, display, or disclose the contents of the Documentation to others without the prior written authorization of the Agency or for the performance of Work related to the Scope of Work described in this Contract.

B. **Material:** Title to all Material, field or research equipment, and laboratory models, procured or fabricated under the Contract shall pass to the Agency when procured or fabricated, and such title shall be free and clear of any and all encumbrances. Contractor shall have risk of loss of any Material or Agency-owned equipment of which it has custody.

- C. Disposition: Contractor shall dispose of items to which the Agency has title as directed, in writing, by the Project Manager and/or an Agency representative.

13. PROPRIETARY RIGHTS:

- A. Rights and Ownership: Agency's rights to inventions, discoveries, trade secrets, patents, copyrights, and other intellectual property, including the Information and Documentation, and revisions thereto (hereinafter collectively referred to as "Proprietary Rights"), used or developed by Contractor in the performance of the Work, shall be governed by the following provisions:

1. Proprietary Rights conceived, developed, or reduced to practice by Contractor in the performance of the Work shall be the property of Agency, and Contractor shall cooperate with all appropriate requests to assign and transfer same to Agency.
2. If Proprietary Rights conceived, developed, or reduced to practice by Contractor prior to the performance of the Work are used in and become integral with the Work, or are necessary for Agency to have complete control of the Work, Contractor shall grant to Agency a non-exclusive, irrevocable, royalty-free license, as may be required by Agency for the complete control of the Work, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and grant sublicenses to others with respect to the Work.
3. If the Work includes the Proprietary Rights of others, Contractor shall procure, at no additional cost to Agency, all necessary licenses regarding such Proprietary Rights so as to allow Agency the complete control of the Work, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy, or dispose of any or all of the Work; and to grant sublicenses to others with respect to the Work. All such licenses shall be in writing and shall be irrevocable and royalty-free to Agency.

14. NOTICES: Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

Agency: Warren T. Green
Manager of Contracts and Procurement
Inland Empire Utilities Agency
P.O. Box 9020
Chino Hills, CA 91709

Contractor: Edith Mason

West Valley Mosquito and Vector Control District
1295 Locust Street
Ontario, California 91763

Any notice given pursuant to this section shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission through the United States Postal Service.

15. SUCCESSORS AND ASSIGNS: All of the terms, conditions and provisions of this Contract shall take effect to the benefit of and be binding upon the Agency, the Contractor, and their respective successors and assigns. No assignment of the duties or benefits of the Contractor under this Contract may be assigned, transferred, or otherwise disposed of, without the prior written consent of the Agency; and any such purported or attempted assignment, transfer, or disposal without the prior written consent of the Agency shall be null, void, and of no legal effect whatsoever.
16. PUBLIC RECORDS POLICY: Information made available to the Agency may be subject to the California Public Records Act (Government Code Section 6250 et seq.) The Agency's use and disclosure of its records are governed by this Act. The Agency shall use its best efforts to notify Contractor of any requests for disclosure of any documents pertaining to this work. In the event of litigation concerning disclosure of information Contractor considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Agency shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If Agency is required to defend an action arising out of a Public Records Act request for any of the information Contractor has marked "Confidential," "Proprietary," or "Trade Secret," Contractor shall defend and indemnify Agency from all liability, damages, costs, and expenses, in any action or proceeding arising under the Public Records Act.
17. RIGHT TO AUDIT: The Agency reserves the right to review and/or audit all Contractor's records related to the Work. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to the Contractor. The Contractor shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.
18. INTEGRATION: The Contract Documents represent the entire Contract made and entered into by and between the Agency and the Contractor as to those matters contained in this contract. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered, or amended except by written mutual agreement by the Agency and the Contractor.

19. **GOVERNING LAW:** This Contract is to be governed by and constructed in accordance with the laws of the State of California, in the County of San Bernardino.
20. **TERMINATION FOR CONVENIENCE:** The Agency reserves and has the right to immediately suspend, cancel or terminate this Contract at any time upon written notice to the Contractor. In the event of such termination, the Agency shall pay Contractor for all authorized and Contractor-invoiced services up to the date of such termination, as approved by the Project Manager.
21. **FORCE MAJEURE:** Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.
22. **NOTICE TO PROCEED:** No services shall be performed or provided under this Contract unless and until this document has been properly signed by all responsible parties and a notice to proceed has been issued to the Contractor by the Project Manager.
23. **AUTHORITY TO EXECUTE CONTRACT:** The Signatories, below, each represent, warrant, and covenant that they have the full authority and right to enter into this Contract on behalf of the separate entities shown below.
24. **DELIVERY OF DOCUMENTS:** The Parties to this Contract and the individuals named to facilitate the realization of its intent, with the execution of the Contract, authorize the delivery of documents via facsimile, via email, and via portable document format (PDF) and covenant agreement to be bound by such electronic versions.

The parties hereto have caused the Contract to be entered as of the day and year written above.

INLAND EMPIRE UTILITIES AGENCY:
**A MUNICIPAL WATER DISTRICT*

**WEST VALLEY MOSQUITO AND
VECTOR CONTROL DISTRICT:**

P. Joseph Grindstaff (Date)
General Manager

Michelle Brown (Date)
District Manager

**ACTION
ITEM
1C**

Date: June 21, 2017

To: The Honorable Board of Directors

Through: Engineering, Operations, and Water Resources Committee (6/14/2017)

From: P. Joseph Grindstaff *cb*
General Manager

Submitted by: Chris Berch *cb*
Executive Manager of Engineering/Assistant General Manager

Shaun J. Stone *sz*
Manager of Engineering

Subject: Basin Improvement Consulting Award

RECOMMENDATION

It is recommended that the Board of Directors:

1. Award a consulting engineering services contract for the Recharge Master Plan Update Basin Improvement Projects, Project Nos. RW15003 and RW15004, to Carollo Engineering, Inc. for the not-to-exceed amount of \$1,510,628; and
2. Authorize the General Manager to execute the contract subject to non-substantive changes.

BACKGROUND

In 2013, IEUA and Chino Basin Watermaster (Watermaster) collaboratively approved the implementation of a comprehensive planning document, the Recharge Master Plan Update (RMPU) to enhance and increase stormwater and recycled water recharge for the Chino Basin. In November 2016, IEUA completed the preliminary design evaluation of the selected RMPU.

Based on the recommendation from the preliminary design, the following RMPU projects were approved by the Watermaster stakeholders for design, bid, and construction:

Proposed Recharge Improvement Projects for Design, Bid and Construction			
Basin	Key Basin Improvements	Storm Water	Recycled Water
		acre-feet per year	
CSI Basin*	New basin for groundwater recharge	100	-
Wineville, Jurupa, RP3, & Piping	New pumps/conveyance systems between basins, new diversion structures, and additional new basins	2,921	2,905
Victoria Basin	Raise storage capacity for groundwater	75	120
Lower Day Basin	Raise basin storage capacity and increase channel diversion	993	-
Montclair Basins	Install additional channel diversion for recharge	96	-
Total Groundwater Benefit		4,185	3,025

*Anticipated to be considered by Watermaster in August or September 2017.

On March 15, 2017, IEUA advertised the Request for Proposals for final design and bid support services for the combined projects on *PlanetBids*. On May 2, 2017, IEUA received four proposals from the following firms: Carollo, Dudek, Lee & Ro, and PACE. The proposals were reviewed by a selection committee of IEUA staff from Engineering, Operations, Contracts, and Watermaster. Based on the project team qualifications, experience, understanding of the project scope, and ability to meet the project schedule, the committee concurred that Carollo was the most qualified firm to provide the specified services.

The following table is the anticipated projected budget:

Description	Estimated Cost
Design Services	\$3,135,800
Preliminary Design Contracts (actual cost)	\$543,699
Final Design Contract (actual cost)	\$1,510,628
Project Mgmt, Permits, CEQA	\$1,081,473
Construction Services	\$1,671,000
Design Consultant Construction Services (estimate)	\$167,100
Construction Management (estimate)	\$1,503,900
Construction	\$18,381,000
Construction Contract	\$16,710,000
Contingency (~10%)	\$1,671,000
Total Project Cost:	\$23,187,800
Total Project Budget:	\$48,593,000

Watermaster's cost share of the total project cost is \$22,360,050 and IEUA's is \$827,750. Board approved cost sharing agreements between IEUA and Watermaster reflect the total above.

The following is the project schedule:

Project Milestone	Date
Consultant Contract Award	June 2017
Design Completion	February 2018
Construction Contract Award	May 2018
Construction Completion	December 2019

The contract award is consistent with *IEUA's Business Goal of Water Reliability* by maximizing the beneficial reuse of recycled water and sources of groundwater recharge through the enhancement of groundwater recharge facilities.

PRIOR BOARD ACTION

On May 17, 2017, the Board of Directors approved multiple cost sharing agreements between Watermaster and IEUA to implement the design and construction efforts of approved RMPU projects.

On June 17, 2015, the Board of Directors approved the engineering services contract award for the preliminary design efforts for the RMPU to Stantec Consulting Services, Inc.

IMPACT ON BUDGET

If approved, the consulting engineering services contract award for the RMPU projects, Project Nos. RW15003 and RW15004, for the not-to-exceed amount of \$1,510,628 is within the total project budget of \$9,400,000 in the Recharge Funds. EN18007 is also a part of these RMPU projects which separately budgets for the construction efforts.

Attachment:

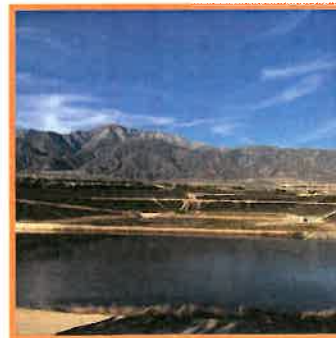
Consultant Contract

<https://dl.dropbox.com/s/vqb7i1chy70hob2/17156%20RMPU%20Design%20Contract%20Attachment.pdf?dl=0>

PJG:CB:SS:jsi

Basin Improvements
Consultant Contract Award
Project Nos. RW15003 and RW15004

Board Meeting



Recharge Master Plan Update (RMPU) Project Locations



Project Background / Project Scope



* CSI anticipated to be considered by Watermaster in August or September 2017

Consultant Selection

- Evaluation and selection committee
 - IEUA Engineering, Operations, Contracts, and Chino Basin Watermaster
- Justification for qualified consultant
 - Qualifications and experience
 - Understanding of project scope
 - Ability to meet project schedule
- Four proposals received on May 2, 2017

Proposals Received
Carollo Engineering, Inc.
Dudek
Lee & Ro, Inc.
Pacific Advanced Civil Engineering, Inc. (PACE)

Project Budget and Schedule

Description	Estimated Cost
Design Services	\$3,135,800
Preliminary Design Contracts (actual cost)	\$543,699
Final Design Contract (actual cost)	\$1,510,628
Project Mgmt, Permits, CEQA	\$1,081,473
Construction Services	\$1,671,000
Design Consultant Construction Services (estimate)	\$167,100
Construction Management (estimate)	\$1,503,900
Construction	\$18,381,000
Construction Contract	\$16,710,000
Contingency	\$1,671,000
Total Project Cost:	\$23,187,800
Total Project Budget:	\$48,593,000

Watermaster's Share: \$22,360,050 IEUA's Share \$827,750

Milestone	Date
Consultant Contract Award	June 2017
Design Completion	February 2018
Construction Contract Award	May 2018
Construction Completion	December 2019

Recommendation

- Award a consulting engineering services contract for the Recharge Master Plan Update - Basin Improvement Projects, Project Nos. RW15003 & RW15004, to Carollo for the not-to-exceed amount of \$1,510,628; and
- Authorize the General Manager to execute the contract subject to non-substantive changes.

The contract award is consistent with consistent with *IEUA's Business Goal of Water Reliability* by maximizing the beneficial reuse of recycled water and sources of groundwater recharge through the enhancement of groundwater recharge facilities.

**ACTION
ITEM
1D**

Date: June 21, 2017

To: The Honorable Board of Directors

Through: Engineering, Operations, and Water Resources Committee (6/14/17)

From: P. Joseph Grindstaff *CB for SJ*
General Manager

Submitted by: Chris Berch *CB*
Executive Manager of Engineering/Assistant General Manager

Shaun J. Stone *SJ*
Manager of Engineering

Subject: Contract Amendment - Rotating Machinery

RECOMMENDATION

It is recommended that the Board of Directors:

1. Amend and increase the not-to-exceed amount of Contract No. 4600001864 to Vaughan's Industrial Repair, Inc. by \$300,000 to provide repair, rebuild, or refurbishment services of rotating machinery for a total aggregate not-to-exceed amount of \$690,000 over the existing three-year period with a one-year option to extend; and
2. Authorize the General Manager to negotiate and finalize the contract amendment.

BACKGROUND

As part of the Agency-wide Energy Efficiency Study Project, IEUA staff has been working with The Energy Network (TEN) and the Water Infrastructure and System Efficiency (WISE) Program to identify opportunities to reduce total electricity usage and costs. In addition, IEUA staff worked with Southern California Edison (SCE) to conduct Agency-wide pump performance tests. The tests found that a total of 10 pumps are in need of refurbishment. SCE has available incentive programs available to provide funding for energy savings associated with improved pump performance.

IEUA entered into a contract with PAMCO Industries (PAMCO) in August 2016 with the contract end date of April 30, 2017. PAMCO has finished the refurbishment of five out of the total 10 pumps and the Agency received the final approved SCE incentives. PAMCO was unable to complete the

full list of pumps due to refurbishment work taking longer than expected. The deadline to complete the work and receive the incentives was April 2017.

The table below identifies the remaining five pumps to be refurbished and shows the estimated annual energy savings if the overall pump efficiencies are increased. The table also shows potential SCE incentives towards improving pump performance:

Pump Name	Estimated Energy Savings (\$/yr)	Approved Incentives
Philadelphia Pump No. 2 (Wastewater)	\$7,166	\$5,570
RP-1 RW 930 PZ Pump No. 1(Recycled Water)	\$18,165	\$14,052
RP-1 RW 930 PZ Pump No. 3 (Recycled Water)	\$19,051	\$14,740
RP-1 RW 1050 PZ Pump No. 3(Recycled Water)	\$22,632	\$17,784
RP-4 RW 1299 PZ Pump No. 4 (Recycled Water)	\$27,198	\$21,516
Total	\$94,212	\$73,662

Shortly after the expiration of PAMCO's contract, IEUA was notified that the deadline to complete the refurbishment of the remaining five pumps and qualify for the corresponding incentives have been extended to December 31, 2017. To take advantage of the extension, staff recommends utilizing the current contract with Vaughan's Industrial Repair, Inc., for the rotating equipment repair and rebuild. Utilizing this exiting contract will allow for the pumps to be refurbished in time to receive the incentives for the work. The final pricing to refurbish the pumps will be determined upon pulling and inspecting all five pumps by Vaughan's.

The Agency-wide Energy Efficiency Projects are consistent with the *Agency's Business Goal of Wastewater Management* specifically the Asset Management and Energy Management objectives that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use in order to optimize facility energy use and effectively manage renewable resources to achieve peak power independence, contain future energy costs, and achieve statewide renewable energy, distributed generation, and greenhouse gas.

PRIOR BOARD ACTION

On March 17, 2017, the Board of Directors approved an amendment to Contract No. 4600001864 to Vaughan's Industrial Repair, Inc. for a total aggregate not-to-exceed amount of \$390,000 to provide repair, rebuild, or refurbishment services of rotating machinery over a three-year period with a one year option to extend.

On August 17, 2016, the Board of Directors approved the award of construction contract for the Agency-wide Sewage Pump Efficiency Improvements Project No. EN16070, for a not-to-exceed amount of \$142,060 and approved the construction contract for the Agency-wide Recycled Water

Contract Amendment - Rotating Machinery

June 21, 2017

Page 3 of 3

Pump Efficiency Improvements Project No. EN17053, for a not-to-exceed amount of \$466,319 to PAMCO Industries.

On May 20, 2015, the Board of Directors approved the award of Contract No. 4600001868 to Superior Electric Motor Service, Inc. for a total aggregate not-to-exceed amount of \$240,000 and Contract No. 4600001864 to Vaughan's Industrial Repair, Inc. for a total aggregate not-to-exceed amount of \$240,000 to provide repair, rebuild, or refurbishment services of rotating machinery over a three-year period with a one year option to extend.

IMPACT ON BUDGET

If approved, the contract amendment for the not-to-exceed amount of \$300,000 will be within the Fiscal Year 2016/17 budget of \$335,000 for the Agency-wide Sewage Pump Efficiency Improvements, Project No. EN16070, in the Regional Wastewater O&M (RO) fund and the Fiscal Year 2016/17 budget of \$625,000 for the Agency-wide Recycled Water Pump Efficiency Improvements, Project No. EN17053, in the Recycled Water (WC) fund.

PJG:CB:SS:aa

**ACTION
ITEM
1E**

Date: June 21, 2017

To: The Honorable Board of Directors

Through: Engineering, Operations, and Water Resources Committee (6/14/17)

From: P. Joseph Grindstaff *cbj*
General Manager

Submitted by: Chris Berch *cb*
Executive Manager of Engineering/Assistant General Manager

Shaun J. Stone *sz*
Manager of Engineering

Subject: RP-1 Consultant Award - Digester Nos. 6 & 7 Roof Repairs

RECOMMENDATION

It is recommended that the Board of Directors:

1. Award a consulting engineering services contract for the RP-1 Digester Nos. 6 & 7 Roof Repairs, Project No. EN17042, to GHD, Inc., for the not-to-exceed amount of \$130,406; and
2. Authorize the General Manager to execute the contract subject to non-substantive changes.

BACKGROUND

Regional Water Recycling Plant No. 1 (RP-1) includes seven digesters which produce digester gas for power and heat generation. Digesters Nos. 6 and 7 were built in 1988 and are cleaned every seven to ten years to maintain efficiency. Over years of operation, Digesters Nos. 6 and 7 have suffered multiple superficial cracks in the roof area which were subsequently repaired and sealed. Additionally, the roof was sprayed with a foam layer for thermal insulation to prevent more cracks from developing in the future; however, staff began noticing signs of digester gas leaks including cracking of the insulating foam layer.

This phase of the project is to retain a consulting engineering firm to inspect Digesters Nos. 6 and 7 internally and externally to determine the cause and source of the cracking and evaluate the performance of the gas mixing system. To facilitate the inspection process, Digesters Nos. 6 and 7 will be cleaned by Synagro-WWT, Inc. under a separate contract previously approved by the Board.

Upon completion of the digester inspection process and evaluation of the gas mixing system, the consultant will prepare and submit a predesign report outlining findings and recommendations for improvements and repairs. After the extent of digester improvements and repairs are determined, a scope and fee will be developed and negotiated for the detailed design work and effort. The contract amendment will be brought back to the Board for approval.

Due to operational requirements, only one digester can be shut down at any given time. The work on the first digester must be completed before switching to the second digester. Work sequence for each digester includes consultant's external inspection and evaluation, cleaning and scaffolding (Synagro), internal inspection, predesign report, detailed design, digester repairs (future contract), and startup and operation (IEUA). Sequence duration for each digester is approximately 9-12 months.

On April 4, 2017, IEUA staff advertised on *PlanetBids* the Request for Proposals for consulting engineering services. On May 2, 2017, IEUA received three proposals; one was rejected as it was delivered after the stipulated deadline. The other two proposals were reviewed by a selection committee consisting of IEUA staff from Engineering, Operations and Maintenance, and representatives from the City of Upland and Cucamonga Valley Water District. Based on the consultant's project team qualifications, experience, understanding of the project scope, and ability to meet the project schedule, the committee unanimously concurred that GHD, Inc. was the most qualified firm. Staff reviewed GHD's fee proposal and concluded that the proposed fee is fair, equitable, and appropriate for the scope of the project.

The following table is the anticipated project cost:

Description	Estimated Cost
Design Services	\$398,703
Consultant Predesign Contract (this action)	\$130,406
Detail Design (estimate)*	\$118,297
IEUA Design Services	\$100,000
Project Development	\$50,000
Construction Services	\$375,760
Design Consultant Construction Services (estimate)	\$78,760
IEUA Construction Services (10%)	\$270,000
Construction Services Contingency (10%)	\$27,000
Construction	\$3,020,200
Digester Cleaning/Services (previously awarded)	\$1,750,200
Construction (Roof Repairs Estimate)*	\$1,000,000
Contingency (10%)	\$270,000
Total Project Cost	\$3,794,663
Total Project Budget	\$3,800,000

* To be determined based on digester inspection and predesign

The following is the project schedule:

Project Milestone	Date
Consultant Contract Award	June 2017
Digester 6	
Cleaning (previously awarded)	September 2017
Inspection/Repair Design	December 2017
Repair Work (under a future construction contract)	June 2018
Digester 7	
Cleaning (under separate contract)	September 2018
Inspection/Repair Design	December 2018
Repair Work (under a future construction contract)	June 2019

The RP-1 Digester Nos. 6 and 7 Roof Repairs Project is consistent with *IEUA's Business Goal of Wastewater Management* specifically the Asset Management objective that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.

PRIOR BOARD ACTION

On April 19, 2017, the Board of Directors approved the RP-1 Digester Nos. 1, 6, and 7 Cleaning/Service Contract Award to Synagro-WWT, Inc.

IMPACT ON BUDGET

If approved, the consulting engineering services contract award for the RP-1 Digester Nos. 6 and 7 Roof Repairs, Project No. EN17042, for the not-to-exceed amount of \$130,406 will be within the total project budget of \$3,800,000 in the Regional Wastewater Operations and Maintenance (RO) Fund.

Attachment:
 Consultant Contract

PJG:CB:SS:jz

RP-1 Digesters Nos. 6 and 7 Roof Repairs Consultant Contract Award Project No. EN17042

Board Meeting



Regional Water Recycling Plant No. 1 Project Location

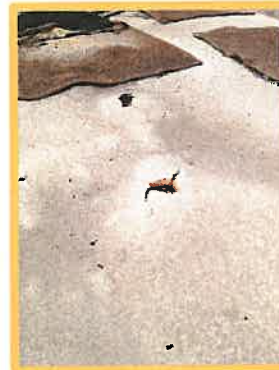


Project Background

- Multiple internal and external roof cracks
- Deteriorated condition of roof foam insulation
- Effectiveness of gas mixing system



Gas Mixing System on Digester Roof



Cracking of Foam Roofing Insulation

Project Scope

- Perform internal and external inspection
- Determine source and cause of cracking
- Evaluate DG mixing system
- Prepare reports and designs for roof and equipment repairs



Digester Roof Repair (External)



Digester Roof Repair (Internal)

Consultant Selection

- **Evaluation and Selection Committee**
 - Engineering and Construction Management Department
 - Operation and Maintenance Department
 - Cucamonga Valley Water District
 - City of Upland
- **Two of Proposals Received on May 2, 2017**

Proposals Received
GHD, Inc.
Lee & Ro, Inc.

- **Justification for unanimously selecting GHD, Inc.**
 - Good understanding of scope of work
 - Project team qualification and experience
 - Demonstrated experience on similar projects

Project Budget and Schedule

Description	Estimated Cost	Project Milestone	Date
Design Services	\$398,703	Consultant Contract Award	June 2017
Consultant Predesign Contract (this action)	\$130,406	Digester 6	
Detailed Design (estimated)*	\$118,297	Cleaning (previously awarded)	September 2017
IEUA Design Services	\$100,000	Inspection/Repair Design	December 2017
Project Development	\$50,000	Repair Work (under a future construction contract)	June 2018
Construction Services	\$375,760	Digester 7	
Design Consultant Construction Services (estimate)	\$78,760	Cleaning (under separate contract)	September 2018
IEUA Construction Services (10%)	\$270,000	Inspection/Repair Design	December 2018
Construction Services Contingency (10%)	\$27,000	Repair Work (under a future construction contract)	June 2019
Construction	\$3,020,200		
Digester Cleaning/Services (previously awarded)	\$1,750,200		
Construction (Roof Repairs Estimate)*	\$1,000,000		
Contingency (10%)	\$270,000		
Total Project Cost:	\$3,794,663		
Total Project Budget:	\$3,800,000		

* To be determined based on digester inspection and predesign

Recommendation

- Award a consultant engineering services contract for the RP-1 Digesters No. 6 and 7 Roof Repairs, Project No. EN17042, to GHD, Inc., for the not-to-exceed amount of \$130,406; and
- Authorize the General Manager to execute the contract subject to non-substantive changes.

The RP-1 Digesters Nos. 6 and 7 Roof Repair Project is consistent with the *IEUA's Business Goal of Wastewater Management* specifically the Asset Management objective that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.



CONTRACT NUMBER: 4600002328

FOR CONSULTING ENGINEERING SERVICES

**DIGESTER 6 & 7 ROOF REPAIRS AT REGIONAL PLANT NO. 1 (RP-1)
PROJECT NO. EN17042**

THIS CONTRACT (the "Contract"), is made and entered into this _____ day of _____, 2017, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to as "Agency"), and GHD, Inc. of Irvine, California (hereinafter referred to as "Consultant") for professional engineering consulting services for the RP-1 Digester 6 & 7 Roof Repairs, Project No. EN17042.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties agree as follows:

1. **AGENCY PROJECT MANAGER ASSIGNMENT:** All technical direction related to this Contract shall come from the designated Project Manager. Details of the Agency's assignment are listed below.

Project Manager: Jamal Zughbi, P.E.
Senior Engineer/Project Manager
Address: 6075 Kimball Avenue, Bldg "B"
Chino, California 91708
Telephone: (909) 993-1698
Facsimile: (909) 993-9000
Email: JZughbi@ieua.org
Cell: (626) 688-6153

2. **CONSULTANT ASSIGNMENT:** Special inquiries related to this Contract and the effects of this Contract shall be referred to the following:

Consultant: Kyle Muffels
Project Manager
Address: 175 Technology Drive, Suite 200
Irvine, California 92618
Telephone: (949) 648-5200
Facsimile: (949) 648-5299
Email: kyle.muffels@ghd.com

3. **ORDER OF PRECEDENCE:** The documents referenced below represent the Contract Documents. Where any conflicts exist between the General Terms and Conditions the governing order of precedence shall be as follows:
- A. Amendments to Contract Number 4600002328.
 - B. Contract Number 4600002328 General Terms and Conditions.
 - C. IEUA Request for Proposal Issued on April 4, 2017
 - D. Consultant's Proposals dated May 2, 2017.
4. **SCOPE OF WORK AND SERVICES:** Consultant services and responsibilities shall include and be in accordance with Consultant's Proposal, dated May 2, 2017, which is attached hereto as **Exhibit A**, incorporated herein by reference, and made a part hereof, and may include the following:
- A. Phase 1 – Digester 6 Preliminary Design
Phase 2 – Digester 6 Detailed Design
Phase 3 – Digester 6 Construction Administration Services
Phase 4 – Digester 6 Post Construction Services, Including Training
Phase 5 – Digester 7 Preliminary Design
Phase 6 – Digester 7 Detailed Design
Phase 7 – Digester 7 Construction Administration Services
Phase 8 – Digester 7 Post Construction Services, Including Training
 - B. NOTE: Extent of Phase 2 and Phase 6 Detailed Design will depend on digester inspection results and findings as will be outlined in the Predesign Report. Therefore, this contract will be based on the design fees for Phase 1 and Phase 5 only (total of \$130,406). The contract will be amended upon completion of the predesign reports to address actual scope of work required from the Consultant for damage and roof repairs.
 - C. NOTE: Consultant shall advise Agency within two (2) weeks of any changes to the written Scope of Work/Schedule based upon discussions from any meetings. Any changes must be made in writing by an Amendment to the Contract. Work initiated without written approval, shall be at Consultant's own risk, and shall not be reimbursed by the Agency.
 - D. The Agency may, at any time, make changes to this Contract's Scope of Work; including additions, reductions and other alterations to any or all of the work. However, such changes shall only be made via written amendment to this Contract. The Contract Price and Work Schedule shall be equitably adjusted, if required, to account for such changes and shall be set forth within the Contract Amendment.
5. **TERM:** The term of this Contract shall extend from the date of the Notice to Proceed, and terminate upon six months of completed construction for both digesters, unless agreed to by both parties, reduced to writing, and amended to this Contract.

6. PAYMENT, INVOICING, AND COMPENSATION:

- A. The Consultant may submit an invoice not more than once per month during the term of this Contract. Agency shall pay Consultant's properly executed invoice, approved by the Project Manager, within thirty (30) days following receipt of the invoice.
- B. As compensation for the Work performed under this Contract, and in accordance with the agreed upon Hourly Rate Schedule and Estimated Level of Effort (see Exhibit A), Agency shall pay Consultant's monthly invoice, for a total contract price NOT-TO-EXCEED **\$130,406** for all Predesign services satisfactorily provided during the term of this Contract.
- C. Additionally, to qualify for payment, the Consultant shall prominently display, on the first page of the invoice, both:
 - 1. The Contract Number – 4600002328, and;
 - 2. The Contract Release Purchase Order Number – To be provided

If Consultant submits invoice by email, such invoice shall be submitted as follows:

APGroup@ieua.org
Scan the invoice as a PDF file.
Attach the scanned file to an email.

If Consultant submits invoice by mail, such invoice shall be submitted as follows:

Inland Empire Utilities Agency
Re: Contract Number: 4600002328
P.O. Box 9020
Chino Hills, CA 91709

- D. Concurrent with the submittal of the original invoice to the Agency's Accounts Payable Department, the Consultant shall forward (mail, fax, or email) a copy of said invoice to the designated Project Manager, identified in Section 1, on Page 1 of this Contract.
- E. No Additional Compensation: Nothing Set forth in this Contract shall be interpreted to require payment by Agency to Consultant of any compensation specifically for the assignments and assurances required by the Contract, other than the payment of expenses as may be actually incurred by Consultant in complying with this Contract, as approved by the Project Manager.

- F. Consultant may request taking advantage of the Agency's practice of offering an expedited payment protocol to a Consultant who has proposed accepting an invoice amount reduction in exchange for early payment.
7. **CONTROL OF THE WORK:** Consultant shall perform the Work in compliance with the Schedule of Work and Services. If performance of the Work falls behind schedule, the Consultant shall accelerate the performance of the Work to comply with the work schedule as directed by the Project Manager. If the nature of the Work is such that Consultant is unable to accelerate the Work, Consultant shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Work Schedule.
8. **INSURANCE:** During the term of this Contract, the Consultant shall maintain at Consultant's sole expense, the following insurance.
- A. **Minimum Scope of Insurance:** Coverage shall be at least as broad as:
1. **Commercial General Liability ("CGL"):** Insurance Services Office ("ISO") Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
 2. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto (Code 1), or if Consultant has no owned autos, covering hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
 3. **Workers' Compensation and Employers Liability:** Workers' compensation limits as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
 4. **Professional Liability (Errors and Omissions):** Insurance appropriate to the Consultant's profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.
- B. **Deductibles and Self-Insured Retention:** Any deductibles or self-insured retention must be declared to and approved by the Agency. At the option of the Agency, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Agency, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claims administration and defense expenses.

C. Other Insurance Provisions: The insurance policies are to contain, or be endorsed to contain, the following provisions:

1. Commercial General Liability and Automobile Liability Coverage

- a. Additional Insured Status: The Agency, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used).
- b. Primary Coverage: The Consultant's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the Agency, its officer, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, volunteers, property owners or engineers under contract with the Agency shall be excess of the Consultant's insurance and shall not contribute with it.
- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees or volunteers.
- d. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- e. The Consultant may satisfy the limit requirements in a single policy or multiple policies. Any such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

2. Workers' Compensation and Employers Liability Coverage

The insurer hereby grants to Agency a waiver of any right to subrogation which any insurer of said Consultant may acquire against the Agency by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Agency has received a waiver of subrogation endorsement from the insurer.

3. All Coverages

Each insurance policy required by this contract shall state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Agency.

D. Acceptability of Insurers: All insurance is to be placed with insurers with a current A.M. Best's rating of no less than A minus:VII, and who are admitted insurers in the State of California.

E. Verification of Coverage: Consultant shall provide the Agency with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the Agency before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The Agency reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. The Agency agrees to accept redacted certificates to protect proprietary information.

F. Submittal of Certificates: Consultant shall submit all required certificates and endorsements to the following:

Inland Empire Utilities Agency
Attn: Angela Witte
P.O. Box 9020
Chino Hills, California 91709
Email: AWitte@ieua.org

9. FITNESS FOR DUTY:

A. Fitness: Consultant and its Subcontractor personnel on the Jobsite:

1. Shall report for work in a manner fit to do their job;
2. Shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the Work is not affected thereby); and
3. Shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of Agency.

- B. Compliance: Consultant shall advise all personnel and associated third parties of the requirements of this Contract ("Fitness for Duty Requirements") before they enter on the Jobsite and shall immediately remove from the Jobsite any employee determined to be in violation of these requirements. Consultant shall impose these requirements on its Subcontractors. Agency may cancel the Contract if Consultant violates these Fitness for Duty Requirements.

10. LEGAL RELATIONS AND RESPONSIBILITIES

- A. Professional Responsibility: The Consultant shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.
- B. Status of Consultant: The Consultant is retained as an independent Consultant only, for the sole purpose of providing the services described herein, and is not an employee of the Agency.
- C. Observing Laws and Ordinances: The Consultant shall keep itself fully informed of all relevant existing state and federal laws and all relevant county and city ordinances and regulations which pertain to structural engineering services or tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Consultant shall at all times observe and comply with all such existing laws, ordinances, regulations, orders and decrees, and shall to the extent of Consultant's negligence, protect and indemnify, as required herein, the Agency, its officers, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Consultant or its employees.
- D. Work Safety: Contract work requiring confine space entry must follow CalOSHA Regulation 8 CCR, Sections 5157 – 5158. This regulation requires the following to be submitted to IEUA for approval prior to the Consultants mobilization to the work site:
1. Proof of training on confined space procedures, as defined in Cal-OSHA Regulation 8 CCR, Section 5157; and,
 2. A written plan that includes; identification of confined spaces within the work site, alternate procedures where appropriate, Consultant provisions and specific procedures for permit-required and non-permit required spaces and a rescue plan.
- E. Subcontract Services: Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Project Manager.
- F. Grant Funded Projects: This is not a grant funded project. For grant-funded projects, the Consultant shall be responsible to comply with all grant requirements related to the Project. These may include, but shall not be limited to: Davis-Bacon

Act, Endangered Species Act, Executive Order 11246 (Affirmative Action Requirements), Equal Opportunity, Competitive Solicitation, Record Retention and Public Access to Records, and Compliance Review

- G. Hours of Labor: The Consultant shall comply with all applicable provisions of California Labor Code Sections 1810 to 1815 relating to working hours. The Consultant shall, as a penalty to the Agency, forfeit \$25.00 for each worker employed in the completion of the Contract by the Consultant or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of the Labor Code.
- H. Travel and Subsistence Pay: The Consultant shall make payment to each worker for travel and subsistence payments which are needed to complete the work and/or service, as such travel and subsistence payments are defined in an applicable collective bargaining agreements with the worker.
- I. Liens: Consultant shall pay all sums of money that become due from any labor, services, materials or equipment provided to Consultant on account of said services to be rendered or said materials to be provided under this Contract and that may be secured by any lien against the Agency. Consultant shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.
- J. Indemnification: Consultant agrees to indemnify, including to fund the defense of, the Agency and its officers, officials, employees, and volunteers from and against any and all claims, demands, costs, or liability to the extent caused by the negligence, recklessness, or willful misconduct of Consultant and its employees or agents in the performance of services under this Contract, but this indemnity does not apply to liability for damages arising from the sole negligence, active negligence, or willful acts of the Agency; and does not apply to any passive negligence of the Agency unless caused at least in part by the Consultant.
- K. Conflict of Interest: No official of the Agency who is authorized in such capacity and on behalf of the Agency to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.
- L. Equal Opportunity and Unlawful Discrimination: During the performance of this Contract, the Consultant shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin. The Agency is committed to creating and maintaining an environment free from harassment and discrimination

M. Non-Conforming Work and Warranty: Consistent with the standard of skill and care set forth in Section 10.A, Professional Responsibility, Consultant represents and warrants that the Work and Documentation shall be adequate to serve the purposes described in the Contract. If the Project Manager rejects all or any part of the Work or Documentation as unacceptable, and agreement to correct such Work or Documentation cannot be reached without modification to the Contract, Consultant shall notify the Project Manager, in writing, detailing the dispute and reason for Consultant's position. Any dispute that cannot be resolved between the Project Manager and the Consultant, shall be resolved in accordance with the Dispute Section of this Contract.

N. Disputes:

1. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. The Consultant shall pursue the work to completion in accordance with the instruction of the Agency's Project Manager notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract, which remain unresolved after the exhaustion of the procedures provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et. seq, or their successor.
2. Any and all disputes prior to the work starting shall be subject to resolution by the Agency Project Manager and the Consultant shall comply, pursuant to the Agency Project Manager instructions. If the Consultant is not satisfied with any such resolution by the Agency Project Manager, they may file a written protest with the Agency Project Manager within seven (7) calendar days after receiving written notice of the Agency's decision. Failure by Consultant to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Agency Project Manager's resolution. The Agency's Project Manager shall submit the Consultant's written protests to the General Manager, together with a copy of the Agency Project Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of said protest(s). The General Manager shall make his or her determination with respect to each protest filed with the Agency Project Manager within ten (10) calendar days after receipt of said protest(s). If Consultant is not satisfied with any such resolution by the General Manager, they may file a written request for arbitration with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager's decision.
3. In the event of arbitration, the parties to this Contract agree that there shall be a single neutral Arbitrator who shall be selected in the following manner:

- a. The Demand for Arbitration shall include a list of five names of persons acceptable to the Consultant to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Consultant are acceptable and, if so, such person shall be designated as Arbitrator.
 - b. In the event that none of the names submitted by Consultant are acceptable to Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Consultant a list of five names of persons acceptable to Agency for appointment as Arbitrator. The Consultant shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.
 - c. If after Steps (a) and (b), the parties are unable to mutually agree upon a neutral Arbitrator, the matter of selection of an Arbitrator shall be submitted to the San Bernardino County Superior Court pursuant to Code of Civil Procedure Section 1281.6, or its successor. The costs of arbitration, including but not limited to reasonable attorneys' fees, shall be recoverable by the party prevailing in the arbitration. If this arbitration is appealed to a court pursuant to the procedure under California Code of Civil Procedure Section 1294, et. seq., or their successor, the costs of arbitration shall also include court costs associated with such appeals, including but not limited to reasonable attorneys' fees which shall be recoverable by the prevailing party.
4. **Association in Mediation/Arbitration:** The Agency may join the Consultant in mediation or arbitration commenced by a Consultant on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such association shall be initiated by written notice from the Agency's representative to the Consultant.
11. **OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY:** The Agency retains ownership of any and all partial or complete reports, drawings, plans, notes, computations, lists, and/or other materials, documents, information, or data prepared by the Consultant and/or the Consultant's subcontractor(s) pertaining to this Contract. Said materials and documents are confidential and shall be available to the Agency from the moment of their preparation, and the Consultant shall deliver same to the Agency whenever requested to do so by the Project Manager and/or Agency. The Consultant agrees that same shall not be made available to any individual or organization, private or public, without the prior written consent of the Agency.

Said materials and documents shall not be changed or used for purposes other than those set forth in the Contract without the prior written approval of Consultant. If Agency reuses the materials and documents without Consultant's prior written consent, changes or uses the materials and documents other than as intended under this Contract, Agency

shall do so at its sole risk and discretion, and Consultant shall not be liable for any claims and/or damages resulting from use or connected with the release of or any third party's use of the reused materials or documents.

12. TITLE AND RISK OF LOSS:

- A. Documentation: Title to the Documentation shall pass, subject to payment therefore, to Agency when prepared; however, a copy may be retained by Consultant for its records and internal use. Consultant shall retain such Documentation in a controlled access file, and shall not reveal, display or disclose the contents of the Documentation to others without the prior written authorization of Agency or for the performance of Work related to the project.
- B. Material: Title to all Material, field or research equipment, subject to payment therefore, and laboratory models, procured or fabricated under the Contract shall pass to Agency when procured or fabricated, and such title shall be free and clear of any and all encumbrances. Consultant shall have risk of loss of any Material or Agency-owned equipment of which it has custody.
- C. Disposition: Consultant shall dispose of items to which Agency has title as directed in writing by the Agreement Administrator and/or Agency.

13. PROPRIETARY RIGHTS:

- A. Rights and Ownership: Agency's rights to inventions, discoveries, trade secrets, patents, copyrights, and other intellectual property, including the Information and Documentation, and revisions thereto (hereinafter collectively referred to as "Proprietary Rights"), used or developed by Consultant in the performance of the Work, shall be governed by the following provisions:
 - 1. Proprietary Rights conceived, developed, or reduced to practice by Consultant in the performance of the Work shall be the property of Agency, and Consultant shall cooperate with all appropriate requests to assign and transfer same to Agency.
 - 2. If Proprietary Rights conceived, developed, or reduced to practice by Consultant prior to the performance of the Work are used in and become integral with the Work, or are necessary for Agency to have complete control of the Work, Consultant shall grant to Agency a non-exclusive, irrevocable, royalty-free license, as may be required by Agency for the complete control of the Work, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and grant sublicenses to others with respect to the Work.
 - 3. If the Work includes the Proprietary Rights of others, Consultant shall procure, at no additional cost to Agency, all necessary licenses regarding such Proprietary Rights so as to allow Agency the complete control of the

Work, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and grant sublicenses to others with respect to the Work. All such licenses shall be in writing and shall be irrevocable and royalty-free to Agency.

14. **INFRINGEMENT:** Consultant represents and warrants that the Work and Documentation shall be free of any claim of trade secret, trade mark, trade name, copyright, or patent infringement or other violations of any Proprietary Rights of any person.

Consultant shall defend, indemnify and hold harmless, Agency, its officers, directors, agents, employees, successors, assigns, servants, and volunteers free and harmless from any and all liability, damages, losses, claims, demands, actions, causes of action, and costs including reasonable attorney's fees and expenses to the extent of Consultant's negligence for any claim that use of the Work or Documentation infringes upon any trade secret, trade mark, trade name, copyright, patent, or other Proprietary Rights.

Consultant shall, at its expense and at Agency's option, refund any amount paid by Agency under the Contract, or exert its best efforts to procure for Agency the right to use the Work and Documentation, to replace or modify the Work and Documentation as approved by Agency so as to obviate any such claim of infringement, or to put up a satisfactory bond to permit Agency's continued use of the Work and Documentation.

15. **NOTICES:** Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

Agency: Warren T. Green
Manager of Contracts and Procurement
Inland Empire Utilities Agency
P.O Box 9020
Chino Hills, California 91709

Consultant: Paul Hermann
Principal-In-Charge
GHD, Inc.
175 Technology Drive, Suite 200
Irvine, California 92618

Any notice given pursuant to this section shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

16. **SUCCESSORS AND ASSIGNS:** All of the terms, conditions and provisions of this Contract shall take effect to the benefit of and be binding upon the Agency, the Consultant, and their respective successors and assigns. No assignment of the duties or benefits of the Consultant under this Contract may be assigned, transferred or otherwise disposed of without the prior written consent of the Agency; and any such purported or

attempted assignment, transfer or disposal without the prior written consent of the Agency shall be null, void and of no legal effect whatsoever.

17. **PUBLIC RECORDS POLICY:** Information made available to the Agency may be subject to the California Public Records Act (Government Code Section 6250 et seq.) The Agency's use and disclosure of its records are governed by this Act. The Agency shall use its best efforts to notify Consultant of any requests for disclosure of any documents pertaining to Consultant. In the event of litigation concerning disclosure of information Consultant considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Agency shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If Agency is required to defend an action arising out of a Public Records Act request for any of the information Consultant has marked "Confidential," "Proprietary," or "Trade Secret," Consultant shall defend and indemnify Agency from all liability, damages, costs, and expenses, including attorneys' fees, in any action or proceeding arising under the Public Records Act.
18. **RIGHT TO AUDIT:** The Agency reserves the right to review and/or audit all Consultants' records related to the Work. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to Consultant. The Consultant shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.
19. **INTEGRATION:** The Contract Documents represent the entire Contract made and entered into by and between the Agency and the Consultant as to those matters contained in this contract. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered or amended except by written mutual agreement by the Agency and the Consultant.
20. **GOVERNING LAW:** This Contract is to be governed by and constructed in accordance with the laws of the State of California, in the County of San Bernardino.
21. **TERMINATION FOR CONVENIENCE:** The Agency reserves and has the right to immediately suspend, cancel or terminate this Contract at any time upon written notice to the Consultant. In the event of such termination, the Agency shall pay Consultant for all authorized and Consultant-invoiced services up to the date of such termination, as approved by the Project Manager.
22. **FORCE MAJEURE:** Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.
23. **NOTICE TO PROCEED:** No services shall be performed or provided under this Contract unless and until this document has been properly signed by all responsible parties and a Notice to Proceed order has been issued to the Consultant.

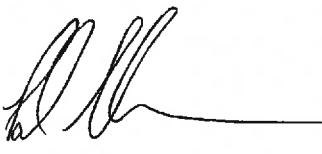
24. AUTHORITY TO EXECUTE CONTRACT: The Signatories, below, each represents, warrants, and covenants that they have the full authority and right to enter into this Contract on behalf of the separate entities shown below.
25. DELIVERY OF DOCUMENTS: The Parties to this Contract and the individuals named to facilitate the realization of its intent, with the execution of the Contract, authorize the delivery of documents via facsimile, via email, and via portable document format (PDF) and covenant agreement to be bound by such electronic versions.

The parties hereto have caused the Contract to be entered as of the day and year written above.

INLAND EMPIRE UTILITIES AGENCY:
**A MUNICIPAL WATER DISTRICT*

GHD, INC.:

P. Joseph Grindstaff (Date)
General Manager



Paul Hermann (Date)
Principal-In-Charge

May 26, 2017

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**ACTION
ITEM
1F**

Date: June 21, 2017

To: The Honorable Board of Directors

Through: Engineering, Operations, and Water Resources Committee (6/14/17)

From: P. Joseph Grindstaff *John J. Gr*
General Manager

Submitted by: Chris Berch *CB*
Executive Manager of Engineering/Assistant General Manager

Sylvie Lee *SL*
Manager of Planning and Environmental Resources

Subject: Chino Basin Water Bank: Cost Sharing Letter Agreement Amendment and Consultant Contract Award

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve a task order to master services contract 4600002275 for consulting services related to the Chino Basin Water Bank Program, Project No. WR18028, to Arcadis U.S., Inc. for the not-to-exceed amount of \$472,687;
2. Amend the Cost Sharing Letter agreement with the Chino Basin Water Bank parties to increase the not-to-exceed cost sharing amount to \$150,000 per party; and
3. Authorize the General Manager to execute the task order and the cost sharing letter agreement amendment, subject to non-substantive changes.

BACKGROUND

In August 2016, IEUA entered a cost-sharing letter agreement between IEUA, the Cucamonga Valley Water District, the City of Ontario, and Monte Vista Water District (CBWB Parties) to fund the initial steps in the formation of the Chino Basin Water Bank (CBWB). The CBWB's primary objective is to coordinate the development of groundwater storage within the Chino Basin. The CBWB will be open for other interested parties within the Chino Basin to join later. The Chino Basin Water Bank will apply to the Chino Basin Watermaster for the right to create a comprehensive storage and recovery program under existing basin rules and with a dedicated quantity of basin storage. The CBWB would then make this quantity of storage available to outside

parties, who would pay for this access by “leaving behind” a certain quantity of water they place in storage. CBWB Parties would benefit directly through increased groundwater supplies, and the Chino Basin would generally experience improved groundwater levels and water quality. Additionally, the CBWB would facilitate the Chino Basin’s participation in the Santa Ana Regional Conservation and Conjunctive Use Program (SARCCUP), a watershed-wide conjunctive use program that has received \$54 million in state Proposition 84 funds.

The CBWB cost-sharing letter agreement encompassed hiring Sierra Water Group, Inc., to conduct an evaluation of the proposed bank structure and potential economic benefits, and Best Best & Krieger LLP to draft a Joint Power Agreement (JPA) which defines bank governance and the roles and responsibilities of its partners. Each task would be managed by a party to the agreement and would be for a not-to-exceed cost. The parties agreed to a not-to-exceed total cost of \$200,000. The four parties would share in one-fourth of the total cost, or \$50,000 each.

On November 10, 2016, the IEUA Board approved eight master service contracts, three of which were specialized to provide water bank program management services. The CBWB Parties solicited proposals from eight consultants to continue the advancement of the Chino Basin Water Bank. Specifically, the solicitation sought to obtain services to: refine the bank conceptual structure, perform stakeholder outreach, and update and finalize the banking concept. After conducting a detailed proposal review, consultants were asked to participate in interviews. The CBWB parties unanimously selected Arcadis U.S., Inc. as the best consultant for the Water Bank Development.

Based on the negotiated fee from Arcadis, the CBWB Parties worked together to develop and update the project budget. The parties also developed an amendment to the existing cost sharing letter agreement which increased the cost sharing allocation from \$50,000 to \$150,000 for each party, with a total project budget of \$600,000.

The agreement is consistent with the *Agency’s Business Goal* of increasing *Water Reliability* by meeting the region’s need to develop reliable, drought-proof and diverse local water resources in order to reduce dependence on imported water supplies.

PRIOR BOARD ACTION

On February 15, 2017, the Board of Directors awarded a Master Service Contract 4600002275 to Arcadis to provide professional engineering and financial services for the development of water resources and the Integrated Water Resources Plan.

On August 17, 2016, the Board of Directors received and filed an informational item related to the cost sharing agreement.

IMPACT ON BUDGET

If approved, the contract for not-to-exceed amount of \$472,687 will be within the total project budget of \$600,000 for Project No. WR18028 in the Water Resources (WW) fund.

Attachments: Amended Cost Sharing Letter Agreement
Arcadis Task Order for Chino Basin Water Bank
Arcadis Scope of Work

June 20, 2017

Martin Zvirbulis
Cucamonga Valley Water District (“CVWD”)
10440 Ashford Street – P.O. Box 638
Rancho Cucamonga, CA 91729

P. Joseph Grindstaff
Inland Empire Utilities Agency (“IEUA”)
6075 Kimball Avenue – P.O. Box 9020
Chino, CA 91708

Mark Kinsey
Monte Vista Water District (“MVWD”)
10575 Central Avenue – P.O. Box 71
Montclair, CA 91763

Al C. Boling
City of Ontario (“Ontario”)
303 E. “B” Street
Ontario, CA 91764

Re: First Amendment To Cost Sharing Letter Agreement
Chino Basin Water Bank Feasibility Review and Foundational Document Development

The above-mentioned public agencies (“Parties”) entered into that certain Cost Sharing Letter Agreement, dated July 27, 2016 (“Agreement”) regarding the sharing of costs for legal and consultant support services for the potential formation of the Chino Basin Water Bank (“CBWB”). A copy of the Agreement is attached hereto as Exhibit “A” and incorporated herein by reference. The Agreement provides, among other things, for equally sharing costs among the Parties for legal and consultant support services for due diligence and feasibility work to facilitate regional efforts described in the Agreement including the potential formation of the CBWB.

The Agreement provides that additional consultant services are expected to be required to complete all of the tasks set forth in the Agreement. As these additional services are identified, it is anticipated that the Agreement will be amended with revised total Agreement costs. The Parties desire to enter into this First Amendment to the Cost Sharing Letter Agreement (“First Amendment”) in order to revise the total Agreement costs.

Section 2 Cost Sharing, in the Agreement is hereby replaced, in its entirety, with the following:

2. Cost Sharing

Different Parties to this Agreement will serve as the lead agency in contracting with and managing services provided by identified Consultant (as stated below). Cost sharing for each of the items identified below shall be shared (equally) as one fourth of the total cost per Party.

A. Joint Powers Agreement (JPA) Development

CVWD (Lead Agency) has entered into an agreement with Best Best & Krieger LLP (Consultant) for performance of the Scope with a **not-to-exceed cost of \$11,280** (Compensation).

B. Water Bank Structure Evaluation

IEUA (Lead Agency) has entered or intends to enter into an agreement with Sierra Water Group, Inc. (Consultant) for performance of the Scope with a **not-to-exceed cost of \$45,480** (Compensation).

C. Economic Benefit Evaluation

IEUA (Lead Agency) intends to enter into an agreement with a consultant for performance of the Scope with a **not-to-exceed cost of \$30,000** (Compensation).

D. Water Banking Program Management

IEUA (Lead Agency) intends to enter into an agreement with an individual and/or firm to provide water banking program management services for performance of the Scope with a **not-to-exceed cost of \$472,687** (Compensation).

E. Cost Sharing Between the Undersigned Parties

The Parties hereto each agree to be responsible for reimbursement of the payments made under the aforementioned agreements with Consultants **not-to-exceed** cost of **\$150,000** per Party as follows:

(i) Upon receipt by the Lead Agency of each written statement from Consultant regarding the amount due and owing for the applicable time period (Progress Payment), the Lead Agency shall be responsible for payment to Consultant for the amount due and owing.

(ii) The Parties shall be responsible for payment of an equal share of the amount due and owing under each Progress Payment to be billed by the Lead Agency to each Party, quarterly. None of the Parties shall be responsible for payment of any amounts in excess of its share as set forth herein, without the prior written consent of the Party being requested to pay such additional amount.

(iii) The Lead Agency shall provide a copy of the Progress Payment to each Party along with a cover letter setting forth the calculation of the share due and owing by each Party. Within thirty (30) days of the date of said cover letter (Invoice), each Party shall submit payment to the Lead Agency for its share as set forth in this Agreement.

Revise Section 3. Effective Date and Term

Add the following as a second paragraph:

Following the completion of Task 3 of the Water Banking Program Management effort, with thirty (30) calendar days written notice, any Party to this Agreement may elect to cancel further participation. All Parties shall be equally responsible for all cost incurred up to the date of their cancellation of participation via written amendment to this agreement. Following cancellation by any Party, the remaining Parties to this agreement shall decide in writing to either cancel the agreement or continue to proceed with the work effort.

Balance Of Agreement To Remain In Effect Except as otherwise specifically set forth in this First Amendment, the terms and conditions of the Agreement shall remain in full force and effect.

BY SIGNING BELOW, THE PARTIES AGREE TO BE BOUND BY THE PROVISIONS OF THIS FIRST AMENDMENT.

CUCAMONGA VALLEY WATER DISTRICT

INLAND EMPIRE UTILITIES AGENCY

By: _____
Martin Zvirbulis, General Manager

By: _____
P. Joseph Grindstaff, General Manager

Dated: _____

Dated: _____

MONTE VISTA WATER DISTRICT

CITY OF ONTARIO

By: _____
Mark Kinsey, General Manager

By: _____
Al C. Boling, City Manager

Dated: _____

Dated: _____

EXHIBIT "A"

Cost Sharing Letter Agreement

(copy attached)

July 27, 2016

Mark Kinsey
Monte Vista Water District (MVWD)
10575 Central Avenue – P.O. Box 71
Montclair, CA 91763

Martin Zvirbulis
Cucamonga Valley Water District (CVWD)
10440 Ashford Street – P.O. Box 638
Rancho Cucamonga, California 91729

Al C. Boling
City of Ontario
303 E. “B” Street
Ontario, CA 91764

**Re: Cost Sharing Letter Agreement
Chino Basin Water Bank Feasibility Review and Foundational Document Development**

This Cost Sharing Letter Agreement (“Agreement”) sets forth the understanding between the undersigned parties regarding the sharing of costs for legal and consultant support services for the Chino Basin Water Bank (CBWB). This Agreement will cover a variety of feasibility review tasks as well as foundational document development.

The Parties recognize that there are various regional efforts, occurring now and planned for the near future, that relate to storage in the Chino Groundwater Basin. Among these include the Chino Basin Safe Yield Reset, Chino Basin Storage Management Plan, Santa Ana River Conservation and Conjunctive Use Program, and other efforts related to continued implementation of the Optimum Basin Management Plan such as water quality management and planning for Desalter Replenishment. As a result, the Parties desire to initiate certain due diligence and feasibility work to facilitate implementation of these regional efforts.

Inland Empire Utilities Agency, a Municipal Water District, (“IEUA”) and the undersigned parties (collectively referred to as “Parties” and individually as “Party”) hereby agree to equally share the cost of legal and consultant support services pursuant to the provisions set forth below.

1. Scope of Services

As of the date of this Agreement, there are several tasks that have been identified as necessary to complete the feasibility review and foundational document development for the CBWB. It is expected that over the next several months, additional consultant services will be required to complete these tasks. As these services are identified, this Agreement will be amended with revised total Agreement costs for concurrence by all Parties prior to commencing new work.

A summary of the current Scope of Services are as follows:

A. Joint Power Agreement (JPA) Development

This task will involve the drafting of the CBWB JPA – specifically defining JPA governance and the roles/responsibilities of the partners. It is expected that this effort will aid the Parties in determining the best governance for a bank in the Chino Basin.

B. Water Bank Structure Evaluation

This task will include a technical, financial and governance alternatives analysis of water banking mechanics – it is expected that this evaluation will aid the Parties in determining the best structure for a bank in the Chino Basin.

C. Economic Benefit Evaluation

This task will include the evaluation of the anticipated economic benefits to the Parties to this Agreement as well as the regional benefits as a whole.

2. Cost Sharing

Different Parties to this Agreement will serve as the lead agency in contracting with and managing services provided by identified Consultant (as stated below). Cost sharing for each of the items identified below shall be shared (equally) as one fourth of the total cost per party.

A. Joint Power Agreement (JPA) Development

CVWD (Lead Agency) has entered into, or intends to enter into, an agreement with Best Best & Krieger LLP (Consultant) for performance of the Scope with a **not-to-exceed cost of \$20,000.00 (Compensation)**.

B. Water Bank Structure Evaluation

IEUA (Lead Agency) has entered into an agreement with Sierra Water Group, Inc. (Consultant) for performance of the Scope with a **not-to-exceed cost of \$9,975.00 (Compensation)**.

C. Economic Benefit Evaluation

IEUA (Lead Agency) intends to enter into an agreement with a consultant for performance of the Scope with a **not-to-exceed cost of \$30,000.00 (Compensation)**.

D. Cost Sharing Between the Undersigned Parties

The Parties hereto each agree to be responsible for reimbursement of the payments made under the aforementioned agreements with Consultants not to exceed one fourth of the total cost or **\$50,000.00 per party** as follows:

- (i) Upon receipt by the Lead Agency of each written statement from Consultant regarding the amount due and owing for the applicable time period (Progress Payment), the Lead Agency shall be responsible for payment to Consultant for the amount due and owing.

(ii) The Parties shall be responsible for payment of an equal share of the amount due and owing under each Progress Payment to be billed by the Lead Agency to each Party, quarterly. None of the Parties shall be responsible for payment of any amounts in excess of its share as set forth herein, without the prior written consent of the Party being requested to pay such additional amount.

(iii) The Lead Agency shall provide a copy of the Progress Payment to each Party along with a cover letter setting forth the calculation of the share due and owing by each Party. Within thirty (30) days of the date of said cover letter (Invoice), each Party shall submit payment to the Lead Agency for its share as set forth in this Agreement.

3. Effective Date and Term

This Agreement shall be effective on the date of full execution of this Agreement by all of the Parties (Effective Date). The term of this Agreement shall be from the Effective Date to the date of completion of performance of the Scope under the Consultant Contracts pursuant to the schedule set forth in Exhibit A and other schedules and deadlines as may be determined by the Parties and Consultant, but shall not be later than December 31, 2017. The Parties may elect to extend the term with prior written consent of the Parties by an amendment to this Agreement.

4. General Provisions

A. Indemnification

Each Party agrees to defend, indemnify and hold harmless the other Parties and its officers, directors, agents, employees, servants and volunteers from any and all liability, judgements, expenses, including defense costs and legal fees, and claims for damages of any nature whatsoever, arising from or connected with the Parties activities under this Agreement.

B. Other Parties

Upon concurrence of the parties hereto, other interested parties may be added to this agreement by written amendment. Prior to the addition of any party, the cost allocation shall be agreed-to so that all parties hereto pay an equal share of the total costs incurred as authorized by this Agreement.

C. Notices

Written correspondence to be given to any party must be given by personal delivery or by registered or certified mail addressed and delivered as set forth below in the signature blocks for each Party.

D. Representation of Authority

Each Party represents to the other that it has the authority to enter into this Agreement and that the individual signing this Agreement on behalf of their respective Party has the authority to execute this Agreement and to bind their respective Party to the terms and conditions of this Agreement.

E. Counterparts

This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

F. Governing Law

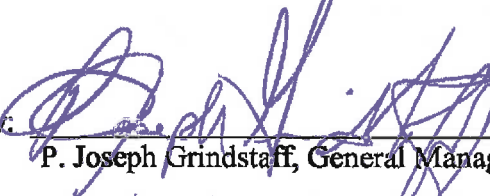
This Agreement shall be governed by and construed in accordance with the laws of the State of California in the County of San Bernardino.

G. Cooperation.

The Parties acknowledge that they are entering into an arrangement in which the cooperation of all of the Parties will be required, and may include the execution of necessary further documents. The Parties agree to cooperate in good faith with each other and review and submit timely documents for the benefit of the CBWB.

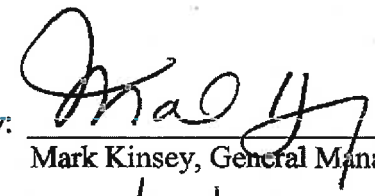
BY SIGNING BELOW, THE PARTIES AGREE TO BE BOUND BY THE PROVISIONS OF THIS AGREEMENT

INLAND EMPIRE UTILITY AGENCY

By: 
P. Joseph Grindstaff, General Manager
Dated: 8/23/16

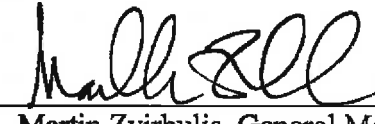
P.O. Box 9020
Chino Hills, CA 91709

MONTE VISTA WATER DISTRICT

By: 
Mark Kinsey, General Manager
Dated: 8/23/2016

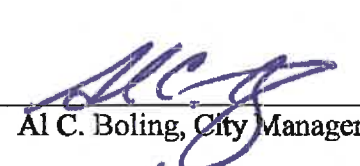
P.O. Box 71
Montclair, CA 91763

CUCAMONGA VALLEY WATER DISTRICT

By: 
Martin Zvirbulis, General Manager
Dated: 8/23/16

P.O. Box 638
Rancho Cucamonga, California 91729

ONTARIO MUNICIPAL UTILITIES COMPANY

By: 
Al C. Boling, City Manager
Dated: 08/24/16

303 E. "B" Street
Ontario, CA 91764



TASK ORDER

Date: July 1, 2017

Task Order Number: 1

Consultant: Arcadis U.S., Inc.

Contract Number: 4600002275

Project/Task Description: Phase 1 – Achieving Consensus on Banking Concept

RECITALS

This Task Order is issued to implement Phase 1 Work in accordance with the attached Scope of Work, which is made a part hereof and attached hereto.

Agency and Consultant previously entered into Master Contract No. 4600002275. Except as otherwise specified herein, the terms and conditions of that Contract are incorporated into this Task Order via this reference.

TASK ORDER AGREEMENTS

Compensation for this Task Order Number 1 is as follows: Consultant shall be paid a total NTE amount of **\$472,687.00** for the services authorized by this Task Order.

Period of Performance: This Task Order's period of performance shall be from July 1, 2017, through completion of all project requirements or June 30, 2018, whichever occurs earlier

Assigned Personnel: The following named personnel are assigned to direct the performance of this Task Order on behalf of the respective Parties.

Agency Project Manager: All technical direction related to this Task Order shall come from the Agency's Project Manager as follows:

Project Manager:	Sylvie Lee
Address:	6075 Kimball Avenue Chino, California 91708
Telephone:	(909) 993-1646
Faxsmile:	(909) 993-1983
Email:	slee@ieua.org

Consultant Project Manager: Inquiries related to this Task Order shall be referred to the assigned personnel identified below:

Project Manager: Jim Cathcart
Address: 320 Commerce, Suite 200
Irvine, California 92602
Telephone: (714) 508-2632
Email: Jim.Cathcart@arcadis.com

Task Order Modifications: No communication, either written or oral, by other than the written and bi-laterally executed change order shall be effective to modify or otherwise affect the provisions of this Task Order.

ALL OTHER PROVISIONS OF THE AGREEMENT REMAIN UNCHANGED.

SIGNATURES

INLAND EMPIRE UTILITIES AGENCY:

Steven J. Elie
Board President

Date: _____

ARCADIS U.S., INC.:



Christine Cotton
Senior Vice President

Date: 6/1/2017

SCOPE OF WORK

PHASE 1 – ACHIEVING CONSENSUS ON BANKING CONCEPT

Task 1 – Project Management

The Project Management task includes project administration, regular project meetings with the four project funding partners (funding partners), and internal team meetings. The Arcadis Project Manager, Jim Cathcart, will act as the main point of contact. He will track and monitor project progress, budget, and schedule and provide the funding partners with a monthly progress update. This task assumes one kickoff meeting and five bi-monthly face-to-face meetings with the funding partners. Meetings will be used to provide general project status updates, discuss specific task findings and progress, determine if scope corrections are necessary, and conduct strategy sessions. Deliverables and meetings for this task are provided below.

Deliverables

- Monthly progress report accompanying invoice

Meetings

- Kickoff meeting
- Internal check-in calls and team meetings
- Five bi-monthly status meetings with funding partners

Task 2 – Refine Bank Conceptual Structure

The project team will work with the funding partners to refine the bank concept structure prior to conducting initial stakeholder outreach. To refine the bank concept, the project team will conduct a cursory review of existing data and receive briefings on various elements influencing the bank concept, including:

- Water bank benchmark material developed to date by funding partners
- Watermaster requirements for storage agreements
- Initial review of potential local, regional, statewide benefits to banking
- Chino basin operations
- Chino basin groundwater model
- Safe yield recalculation
- Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) model
- Proposed Storage Management Plan for Chino Basin

Arcadis will summarize the review findings in a synthesis document, refine the bank conceptual structure in concert with the Storage Management Plan in an iterative process to deliver compatible efforts, and update the existing PowerPoint presentation. The proposed refined bank concept will be vetted with the funding partners in a strategy session to finalize the conceptual banking approach and value statements. Deliverables and meetings for this task are provided below.

Deliverables

- Synthesis document compiling key information from benchmark material, Watermaster, basin operations, Chino Basin groundwater model, and the SARCCUP model.
- Update/modified PowerPoint
- Refine bank conceptual structure

Meetings

- Strategy session with funding partners to vet bank conceptual structure changes (as part of bi-monthly meetings)

Task 3 – Stakeholder Outreach

The stakeholder outreach task includes preparing for, conducting, and documenting outreach findings. Outreach preparation includes confirming key stakeholders and developing contact strategy; developing interview template and findings template; and scheduling interviews. As part of the outreach preparation, the project team will conduct a strategy session with the funding partners to confirm our approach for the pre-interview meetings with stakeholders.

An initial group stakeholder meeting will be held to establish initial contact with stakeholders and to develop a better understanding of stakeholders’ perspectives on the bank. Based on the initial group meeting, bank concepts will be revised if necessary and a series of one-on-one stakeholder meetings will then be conducted. Individual stakeholder outreach assumes one four-hour meeting per stakeholder with two consultant staff attending per meeting. Up to 20 one-on-one interview meetings will be conducted. The actual meetings as determined by the partners is envisioned to be about 10 meetings, and the remainder is provided as contingency. A tentative list of stakeholder meetings includes the following agencies.

Number	Agency	Number	Agency
1	CBWB Partners	11	Contingency Meeting
2	CBWB Partners	12	Contingency Meeting
3	East Operating Unit	13	Contingency Meeting
4	West Operating Unit	14	Contingency Meeting
5	Watermaster	15	Contingency Meeting
6	East Operating Unit	16	Contingency Meeting
7	West Operating Unit	17	Contingency Meeting
8	Watermaster	18	Contingency Meeting
9	Watermaster Pool (Non-Ag)	19	Contingency Meeting
10	Watermaster Pool (Ag)	20	Contingency Meeting

Arcadis will document interview findings systematically in the findings template and will provide debriefs of key discussions to the funding partners during the bi-monthly status meetings in Task 1. Deliverables and meetings for this task are provided below.

Deliverables

- Stakeholder interview list
- Stakeholder interview and findings templates
- Revised bank concept based on initial stakeholder meeting
- Document stakeholder interview findings

Meetings

- Initial group Stakeholder meeting
- One-on-one Stakeholder interview meetings (up to 20)

Task 4 – Revise Bank Concept

Once the one-on-one interviews are complete, Arcadis will update/revise the bank concept based on stakeholder input and present a draft bank concept to the funding partners. Subsequently, a second round of stakeholder outreach will be conducted to present the revised bank concept for stakeholder review. Up to 22 individual/stakeholder meetings will be conducted. The actual meetings as determined by the partners is envisioned to be about 10 meetings, and the remainder is provided as contingency. Arcadis assumes follow-up meetings as listed in the table below.

Number	Agency	Number	Agency
1	CBWB Partners	11	Contingency Meeting
2	CBWB Partners	12	Contingency Meeting
3	East Operating Unit	13	Contingency Meeting
4	West Operating Unit	14	Contingency Meeting
5	Watermaster	15	Contingency Meeting
6	East Operating Unit	16	Contingency Meeting
7	West Operating Unit	17	Contingency Meeting
8	Watermaster	18	Contingency Meeting
9	Watermaster Pool (Non-Ag)	19	Contingency Meeting
10	Watermaster Pool (Ag)	20	Contingency Meeting
11	Contingency Meeting	22	Contingency Meeting

The work product will be a detailed PowerPoint presentation that defines water bank opportunities and constraints, develops the basic ground rules, identifies outstanding issues and pathways to resolution, and defines an operating and institutional framework. As part of this task, Arcadis will also assist in preparing Watermaster application form and participating in a Watermaster Board meeting. The level of

effort assumes that an application for Utilization of Available Ground Water Capacity will be prepared and submitted to both the Watermaster and the Court for approval consistent with Paragraph 12, 28 and Exhibit "I" of the Judgment, and attend a Watermaster board meeting to present the proposed storage agreement for board consideration.

This task includes the following deliverables and meetings.

Deliverables

- PowerPoint presentation detailing a revised bank concept based on stakeholder interviews
- Documented discussions from follow up meetings with stakeholders
- Watermaster application form
- Outline of the bank concept white paper

Meetings

- Review the revised bank concept during bi-monthly status meetings in Task 1
- Follow up meetings with stakeholders to present revised bank concept (up to 22)
- Watermaster board meeting
- Meeting with funding partners to debrief key discussions from stakeholder meetings during bi-monthly status meetings in Task 1

Task 5 – Revise and Finalize Consensus Bank Concept

Upon completing Task 4, Arcadis will revise and finalize the bank concept, and basic governance in a brief white paper based on the PowerPoint presentation and outline prepared in Task 4. Task 5 includes the following deliverables and meetings.

Deliverables

- Final bank concept white paper that formally documents water bank opportunities and constraints, develops the basic ground rules, identifies outstanding issues and pathways to resolution, and defines an operating and institutional framework

Key Meetings

- Meeting with funding partners during bi-monthly status meetings in Task 1 to review the final bank concept and discuss Phase 2 scope of work.

PHASE 2 – WATER BANK FORMATION

Upon direction from the funding partners, Arcadis will prepare a scope of work, project schedule and fee estimate for Phase 2 consulting services. We currently estimate a 9 to 12-month period to accomplish this work, with a corresponding fee range of \$300,000 to \$500,000. These preliminary estimates will be refined after Phase 1 work, and prior to beginning Phase 2. The schedule and fee estimates could be impacted if court filings, deposition/court testimony, and/or public hearings are necessary. Assumed tasks are as follows:

- Task 1 – Project Management
- Task 2 – Prepare JPA formation document
- Task 3 – Identify facilities, if necessary, to augment banking
- Task 4 – Conduct groundwater modeling as necessary
- Task 5 – Develop financial structure (including needs/pricing)
- Task 6 – Develop formal operating plan
- Task 7 – Evaluate external funding opportunities
- Task 8 – Develop management structure
- Task 9 – Develop marketing plan
- Task 10 – Procure signatories

PHASE 3 – IMPLEMENTATION

Upon direction from the funding partners, Arcadis will prepare a scope of work, project schedule and fee estimate for Phase 3 consulting services. We currently estimate a 6-month period to accomplish this work, with a corresponding fee range of \$200,000 to \$300,000. These preliminary estimates will be refined at the conclusion of Phase 2 work, and prior to beginning Phase 3. Assumed tasks are as follows:

- Task 1 – Project Management
- Task 2 – Provide staffing support and transition services

FEE SCHEDULE

A breakdown of the proposed fee for Phase 1 work is included in the attached table.

PHASE 1 PROJECT SCHEDULE

The Arcadis Team's initial estimate for Phase 1 work assumes a 9 to 12-month period as shown on Figure 1. However, this overall project schedule is subject to the ability to schedule and conduct stakeholder meetings in an efficient and timely manner, and receive stakeholder input in a timely manner. As the program progresses, the Team will provide regular schedule updates to the funding partners.

Phase 1 Achieving Consensus on Banking Concept Fee Estimate

Task Description	Arcadis Hours						Subconsultant Hours				Total Hours	Arcadis Fees			Subconsultants Fees			Total Fees
	Cathcart	Sriboonlue	Staff Engr	Engineer	Admin	Subtotal	Means	Thornton	Brill	Subtotal		Labor	ODCs	Subtotal	Labor	ODCs	Subtotal	
	\$300	\$160	\$145	\$130	\$105		\$270	\$255	\$175									
Task 1 - Project Management																		
a. Conduct kickoff meeting	6	8	0	0	0	14	4	4	4	12	26	\$3,080		\$3,080	\$2,800		\$2,800	\$6,160
b. Budget tracking/progress reporting	14	32	0	0	24	70	0	0	0	0	70	\$11,840		\$11,840	\$0		\$0	\$11,840
c. Conference calls/team meetings (internal)	20	20	0	0	0	40	20	20	20	60	100	\$9,200		\$9,200	\$14,000		\$14,000	\$24,600
d. Bi-monthly project status meetings (5)	20	0	0	0	0	20	20	0	0	20	40	\$6,000	\$600	\$6,600	\$5,400	\$1,000	\$6,400	\$13,640
e. Project administration	20	40	0	0	30	90	10	10	10	30	120	\$15,550	\$1,000	\$16,550	\$7,000	\$1,000	\$8,000	\$25,350
Subtotal - Task 1	80	100	0	0	54	234	54	34	34	122	356	\$45,670	\$1,600	\$47,270	\$29,200	\$2,000	\$31,200	\$81,590
Task 2 - Refine Bank Conceptual Structure																		
a. Review benchmark material developed to date	8	8	8	0	0	24	12	4	8	24	48	\$4,840		\$4,840	\$5,660		\$5,660	\$11,066
b. Review USBR grant application	0	0	0	0	0	0	0	0	0	0	0	\$0		\$0	\$0		\$0	\$0
c. Receive briefing on Watermaster activities	8	8	0	0	0	16	8	0	0	8	24	\$3,680	\$50	\$3,730	\$2,160	\$50	\$2,210	\$6,161
d. Receive briefing on basin operations	8	0	0	0	0	8	8	0	8	16	24	\$2,400	\$50	\$2,450	\$3,560	\$100	\$3,660	\$6,476
e. Receive briefing on the groundwater model	8	0	0	0	0	8	8	8	0	16	24	\$2,400	\$50	\$2,450	\$4,200	\$100	\$4,300	\$7,180
f. Receive briefing on SARCCUP model	8	8	0	0	0	16	8	0	0	8	24	\$3,680	\$50	\$3,730	\$2,160	\$50	\$2,210	\$6,161
g. Develop suggested revisions list	2	4	4	0	0	10	2	2	2	6	16	\$1,820		\$1,820	\$1,400		\$1,400	\$3,360
h. Update/modify PowerPoint	4	2	0	0	0	6	4	1	1	6	12	\$1,520		\$1,520	\$1,510		\$1,510	\$3,181
i. Conceptual banking approach/value statements	8	8	0	0	0	16	12	4	4	20	36	\$3,680	\$1,000	\$4,680	\$4,960		\$4,960	\$10,136
Subtotal - Task 2	54	38	12	0	0	104	62	19	23	104	208	\$24,020	\$1,200	\$25,220	\$25,610	\$300	\$25,910	\$53,721
Task 3 - Stakeholder Outreach																		
a. Confirm key stakeholders and contact strategy	4	2	0	0	0	6	4	2	2	8	14	\$1,520		\$1,520	\$1,940		\$1,940	\$3,654
b. Understanding of needs/wants/must haves	6	2	2	0	0	10	16	4	4	24	34	\$2,410		\$2,410	\$6,040		\$6,040	\$9,054
c. Develop interview template	2	2	0	0	0	4	2	2	2	6	10	\$920		\$920	\$1,400		\$1,400	\$2,460
d. Develop findings template	2	4	2	0	0	8	2	2	2	6	14	\$1,530		\$1,530	\$1,400		\$1,400	\$3,070
e. Stakeholder meeting approach & strategy session	8	2	0	0	0	10	8	2	2	12	22	\$2,720		\$2,720	\$3,020		\$3,020	\$6,042
f. Prepare for and conduct stakeholder meeting	12	12	0	0	0	24	12	6	6	24	48	\$5,520	\$100	\$5,620	\$5,820	\$100	\$5,920	\$12,132
g. Document stakeholder meeting results	4	8	0	0	0	12	4	0	4	8	20	\$2,480		\$2,480	\$1,780		\$1,780	\$4,438
h. Revise bank concept after stakeholder meeting	6	4	0	0	0	10	6	2	2	10	20	\$2,440		\$2,440	\$2,480		\$2,480	\$5,168
i. Conduct one on one meetings with stakeholders	40	0	0	0	0	40	40	40	40	120	160	\$12,000	\$800	\$12,800	\$28,000	\$5,000	\$33,000	\$49,100
j. Conduct Ag Pool briefing	8	12	0	0	0	20	16	16	0	32	52	\$4,320	\$50	\$4,370	\$8,400	\$100	\$8,500	\$13,720
k. Conduct Non-Ag Pool briefing	8	12	0	0	0	20	16	0	16	32	52	\$4,320	\$50	\$4,370	\$7,120	\$100	\$7,220	\$12,312
l. Conduct Appropriate Pool briefing	8	12	0	0	0	20	16	0	16	32	52	\$4,320	\$50	\$4,370	\$7,120	\$100	\$7,220	\$12,312
m. Compile meeting notes	12	12	40	60	0	124	12	4	4	20	144	\$19,120	\$50	\$19,170	\$4,960	\$100	\$5,060	\$24,736
Subtotal - Task 3	120	84	44	60	0	308	154	80	100	334	642	\$63,620	\$1,100	\$64,720	\$79,480	\$5,500	\$84,980	\$158,198
Task 4 - Revise Banking Concept																		
a. Follow-up one on one meetings with stakeholders	44	0	0	0	0	44	44	44	44	132	176	\$13,200	\$800	\$14,000	\$30,800	\$9,800	\$40,600	\$58,660
b. Refine PowerPoint	8	8	0	0	0	16	8	8	8	24	40	\$3,680		\$3,680	\$5,600		\$5,600	\$9,840
c. Lay out process and timelines	12	12	4	4	0	32	16	12	12	40	72	\$6,620		\$6,620	\$9,480		\$9,480	\$17,048
d. Prepare Watermaster application forms	24	20	20	20	0	84	24	40	40	104	188	\$15,900		\$15,900	\$23,680		\$23,680	\$41,948
Subtotal - Task 4	88	40	24	24	0	176	92	104	104	300	476	\$39,400	\$800	\$40,200	\$69,560	\$9,800	\$79,360	\$127,496
Task 5 - Revise and Finalize Consensus Banking Concept																		
a. Finalize bank concept	24	32	8	8	0	72	40	24	24	88	160	\$14,520	\$500	\$15,020	\$21,120	\$500	\$21,620	\$38,802
b. Develop Phase 2 Scope	16	12	0	0	0	28	8	8	8	24	52	\$6,720		\$6,720	\$5,600		\$5,600	\$12,880
Subtotal - Task 5	40	44	8	8	0	100	48	32	32	112	212	\$21,240	\$500	\$21,740	\$26,720	\$500	\$27,220	\$51,682
Total Hours and Cost	382	306	88	92	54	922	410	269	293	972	1,894	\$193,950	\$5,200	\$199,150	\$230,570	\$18,100	\$248,670	\$472,687

**ACTION
ITEM
1G**

Date: June 21, 2017

To: The Honorable Board of Directors

Through: Engineering, Operations, and Water Resources Committee (6/14/17)

From: P. Joseph Grindstaff *CB*
General Manager

Submitted by: Chris Berch *CB*
Executive Manager of Engineering/Assistant General Manager

SL Sylvie Lee
Manager of Planning and Environmental Resources

Subject: Santa Ana River Conservation and Conjunctive Use Program (SARCCUP)
Cost Sharing Letter Agreement – Conservation Measures

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve the SARCCUP Cost Sharing Letter Agreement for Conservation Measures for the not-to-exceed amount of \$165,200; and
2. Authorize the General Manager to execute the requisite document.

BACKGROUND

On June 15, 2016, the IEUA Board of Directors approved an MOU for SARCCUP in support of IEUA collaboration with SAWPA member agencies and approved Project Agreement 23 (PA23) between SAWPA and the five SAWPA member agencies for SARCCUP governance.

SARCCUP is a multi-agency, watershed-wide program developing dry-year yield supply by banking wet-year water that also integrates water conservation measures, habitat enhancements, and recreational use. The conservation measures associated with SARCCUP will develop increased supply through the implementation of conservation-based water rates for five retail water agencies; and, additionally, implement a sustainable landscape program that includes design, maintenance, and care support throughout the Santa Ana River Watershed to support effective water use efficiency.

SAWPA was awarded \$55 million in grants for the SARCCUP by DWR. The estimated costs of SARCCUP Phase 1 projects total \$100 million and will be funded by the \$55 million grant funding and \$45 million shared equally by the five SAWPA member agencies. The SARCCUP Grant Agreement includes, among other things, conservation measures which require a percentage of local co-payment funding.

The total local cost share for the conservation measures described in the Scope of the Project is \$826,000. Each SARCCUP agency is responsible for their payment of the local cost share components of the conservation measures in an amount not to exceed one-fifth of the total local cost share or \$165,200. Each agency is responsible for a one-time payment of \$165,200 payable to SAWPA upon receipt of an invoice delivered to each member following the execution of the Cost Sharing Letter Agreement.

The SARCCUP water conservation elements are being implemented through the governance of the existing Project Agreement 22 (PA22) Committee of SAWPA. The water banking elements are being implemented through the governance established by the MOU Agreement, PA23 approved by the IEUA Board in June 2016.

The SARCCUP Cost Sharing Agreement for Conservation Measures is consistent with the Agency's Business Goal of increasing *Water Reliability* by promoting water use efficiency and education to enhance water supplies within the region, and meeting the region's need to develop reliable and diverse local water resources in order to reduce dependence on imported water supplies.

PRIOR BOARD ACTION

On June 15, 2016, the IEUA Board of Directors approved an MOU for SARCCUP in support of IEUA collaboration with SAWPA member agencies, approved PA23 between SAWPA and the five SAWPA member agencies for SARCCUP governance, and appointed IEUA's General Manager as IEUA's representative on PA23. The Board also approved a professional services contract award to Tom Dodson & Associates (TDA) to conduct a SARCCUP CEQA evaluation for the not-to-exceed amount of \$340,397, and approved the CEQA Cost Sharing Agreement.

On May 20, 2015, the IEUA Board of Directors approved an amendment to the May 2014 Santa Ana River Watermaster Action Team MOU. The amendment supported continued collaboration towards the identified projects now known as SARCCUP and the newly stated foundational principles of SARCCUP.

On May 21, 2014, the IEUA Board of Directors approved an MOU for the Santa Ana River Watermaster Action Team in support of IEUA collaboration with the SAWPA member agencies to identify possible large-scale water supply reliability and water use efficiency projects that could benefit the entire Santa Ana River Watershed; and to collaborate to cost share projects and to secure Proposition 84 or other funding for implementation of identified projects.

IMPACT ON BUDGET

The Cost Sharing Letter Agreement for the SARCCUP Conservation Measures, for the not-to-exceed amount of \$165,200 is within the total project budget of Project No. WR16024 in the Water Resources (WW) Fund. The SARCCUP project budget for FY2016/17 is \$1,854,492, and \$3,000,000 for FY 2017/18.

Attachment: SARCCUP Cost Sharing Letter Agreement for Conservation Measures

Paul Jones
Eastern Municipal Water District
P.O. Box 8300
Perris, CA 92572-8300

Joe Grindstaff
Inland Empire Utility Agency
P.O. Box 9020
Chino Hills, CA 91709

Mike Markus
Orange County Water District
P.O. Box 8300
Fountain Valley, CA 92728-8300

Doug Headrick
San Bernardino Valley Municipal Water District
380 East Vanderbilt Way
San Bernardino, CA 92408

Celeste Cantú
Santa Ana Watershed Project Authority
11615 Sterling Avenue
Riverside, CA 92503-4979

John V. Rossi
Western Municipal Water District
14205 Meridian Parkway
Riverside, CA 92518

**Re: Cost Sharing Letter Agreement
Santa Ana River Conservation & Conjunctive Use Program ("SARCCUP")
Conservation Measures**

This Cost Sharing Letter Agreement ("Agreement") sets forth the understanding between the undersigned parties regarding the local cost share for the conservation components of SARCCUP ("Conservation Measures") which have been defined in the 2016 Grant Agreement ("Grant Agreement") between the California Department of Water Resources ("DWR") and the Santa Ana Watershed Project Authority ("SAWPA") which will be administered by the Project Agreement ("PA") 22 committee of SAWPA. The Scope of the Project which is the subject of this Agreement is outlined herein and further set forth in the attached Grant Agreement hereinafter incorporated into this Agreement and labeled Exhibit "A".

The undersigned parties (collectively referred to as “Parties” and individually as “Party”) hereby agree to share the cost of the Conservation Measures according to the provisions set forth below.

1. Scope of the Project - Conservation Measures

SARCCUP is a multi-agency, watershed-wide program developing dry-year yield supply by banking wet-year water that also integrates water conservation measures, habitat enhancements, and recreational use. The Conservation Measures associated with SARCCUP and this Agreement will develop increased supply through implementation of conservation-based water rates by up to five retail water agencies. Additionally, a drought tolerant landscaping maintenance outreach program called Smartscape operated by Orange County Coastkeeper/Inland WaterKeeper will also be implemented as needed throughout the Santa Ana River Watershed to support effective water use efficiency.

2. Cost Sharing

(a) Cost of Conservation Measures

SAWPA has entered into an agreement with DWR to provide Grant funding for SARCCUP which includes among other things, Conservation Measures which will require a local cost share.

(b) Cost Sharing Between the Undersigned Parties

The local cost share for the Conservation Measures described in the Scope of the Project above is \$826,000. The Parties (except SAWPA) shall each be responsible for their payment of the local cost share components of the Conservation Measures in an amount not to exceed one-fifth of the total local cost share or \$165,200 as follows:

(i) The Parties (except SAWPA) shall be responsible for a one-time payment of \$165,200 payable to SAWPA upon receipt of an invoice delivered following execution of this Agreement by all Parties. None of the Parties shall be responsible for any payment of any amounts in excess of its share pursuant to this Agreement without the prior written consent of the Parties being requested to pay such additional amount.

(ii) SAWPA shall track all expenses and payments associated with the implementation of Conservation Measures under this Agreement and provide regular progress and accounting updates to the Parties through the Parties’ Conservation Advisory Workgroup.

(iii) In the event any portion of the payments made by the Parties to SAWPA remain unspent upon termination of the Grant Agreement, SAWPA shall return the unspent portion to the Parties equally.

3. Effective Date and Term

This Agreement shall be effective on the date of full execution of this Agreement by all of the Parties (“Effective Date”). The term of this Agreement shall be from the Effective Date to the date of completion of performance of the Scope under the Grant Agreement pursuant to the

schedule and deadlines set forth in Exhibit A and other schedules and deadlines as may be determined by the Parties and the PA 22 committee. The Parties may elect to extend the term upon the prior written consent of the Parties that wish to participate.

4. General Provisions

(a) Notices

Correspondence to be given to any Party may be sent via email or USPS mail, addressed and delivered as set forth below in the signature blocks for each Party.

(b) Representation of Authority

Each Party represents to the other that it has the authority to enter into this Agreement and that the individual signing this Agreement on behalf of their respective Parties has the authority to execute this Agreement and to bind their respective Parties to the terms and conditions of this Agreement.

(c) Counterparts

This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

(d) Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

(e) Cooperation

The Parties acknowledge that they are entering into an Agreement in which the cooperation of all Parties will be required, including the execution of necessary further documents. The Parties agree to cooperate in good faith with each other and submit timely documents for the benefit of SARCCUP.

BY SIGNING BELOW, THE PARTIES AGREE TO BE BOUND BY THE PROVISIONS OF THIS AGREEMENT

SANTA ANA WATERSHED PROJECT AUTHORITY

By: _____
Celeste Cantú, General Manager

Dated: _____

11615 Sterling Avenue
Riverside, CA 92503-4979
E-mail: ccantu@sawpa.org

EASTERN MUNICIPAL WATER DISTRICT

By: _____
Paul Jones, General Manager

Dated: _____

P.O. Box 8300
Perris, CA 92572-8300
E-mail: jonesp@emwd.org

INLAND EMPIRE UTILITY AGENCY

By: _____
Joe Grindstaff, General Manager

Dated: _____

P.O Box 9020
Chino Hills, CA 91709
E-mail: jgrindstaff@ieua.org

ORANGE COUNTY WATER DISTRICT

By: _____
Mike Markus, General Manager

Dated: _____

P.O. Box 8300
Fountain Valley, CA 92728-8300
E-mail: mmarkus@ocwd.com

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: _____
Doug Headrick, General Manager

Dated: _____

380 East Vanderbilt Way
San Bernardino, CA 92408
E-mail: dough@sbnmwd.com

WESTERN MUNICIPAL WATER DISTRICT

By: _____
John V. Rossi, General Manager

Dated: _____

14205 Meridian Parkway
Riverside, CA 92518
E-mail: jrossi@wmwd.com

Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) Conservation Measures



SARCCUP* Program

- December 2015:
 - \$100 million SARCCUP Prop 84 grant application
 - \$55 million in grant funding awarded
 - Local Cost Share: \$45 million shared equally by SARCCUP/SAWPA five Members
- June 2016:
 - IEUA Board approves MOU for SARCCUP
 - IEUA Board approves Project Agreement 23 (SARCCUP Governance)

* SARCCUP: Santa Ana River Conservation and Conjunctive Use Program

SARCCUP Governance

- Project Agreement 23 (PA23) governs:
 - Water banking elements
 - Operations committee, open term duration, budget approval, and financial responsibilities
- Project Agreement 22 (PA22) governs:
 - Proposition 84 – Emergency Drought Response Grant:
 - Turf Removal; conservation based water rates; technology based tools; aerial imaging
 - SARCCUP Conservation Measures:
 - Conservation based water rates for 15 agencies
 - Sustainable landscape program

Cost Sharing Letter Agreement Conservation Measures

- Total local cost share requirement
 - Total cost of project: \$2M
 - Local match for SARCCUP: \$826,000
 - SAWPA Member obligation: \$165,200
 - Each of the five SARCCUP agencies responsible for the one-time payment
 - Implementation of conservation based water rates for five additional agencies
 - Implementation of a sustainable landscape program

Recommendation

- Approve the SARCCUP Cost Sharing Letter Agreement for Conservation Measures for the not-to-exceed amount of \$165,200.

The SARCCUP Cost Sharing Agreement for Conservation Measures are consistent with **Agency's Business Goal of increasing Water Reliability** by promoting water use efficiency and education to enhance water supplies within the region; and meeting the region's need to develop reliable and diverse local water resources in order to reduce dependence on imported water supplies.

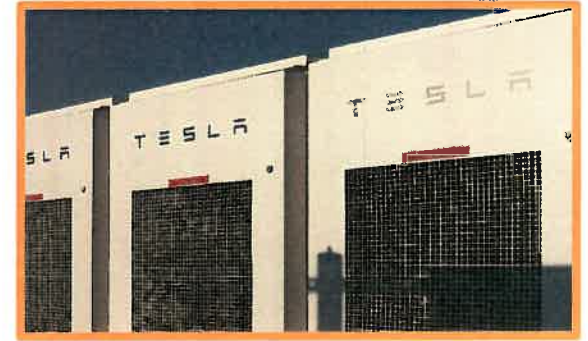
INFORMATION

ITEM

2A

Engineering and Construction Management Project Updates

Board Meeting



EN15008 – Water Quality Laboratory

- Contractor: Kemp Bros. Construction
- Current Contract (Construction): \$17 M
- Total Project Budget: \$25 M
- Project Completion: August 2018
- Percentage Complete: 32%
- Scope of Work:
 - Construct Water Quality Laboratory
 - Expand Central Chiller Plant
 - Construct new 25-stall parking lot
- Current Activities:
 - Complete underground utilities and moisture barrier
- Focus Points:
 - Finalize footing and slab on grade
 - Begin erecting steel columns



Retaining Wall



Footing Forms

EN14018 – RP-4 Disinfection Facility Improvements

- Contractor: W. A. Rasic
- Current Contract (Construction): \$1.8 M
- Total Project Budget: \$2.7 M
- Project Completion: February 2018
- Percentage Complete: 4%
- Scope of Work:
 - Relocate the chemical disinfection facility
 - Install new chemical metering pumps, tanks, and pipelines
- Current Activities:
 - Potholing for existing utilities
 - Reviewing submittals
- Focus Points:
 - Finalize material/equipment selection



Utility Potholing



Corrosion from Bleach Leakage at Existing Tanks

EN17044 – RP-1 Power Reliability Generator Control Upgrades

- Design Engineer: Black & Veatch
- Current Contract (Design): \$75 K
- Total Project Budget: \$1.5 M
- Project Completion: September 2018
- Percentage Complete: 10%
- Scope of Work:
 - Replace five controllers that operate the generators
- Current Activities:
 - 30% predesign review
 - Prequalification of contractors
- Focus Points:
 - Keep the functionality of the current system
 - Upgrading to modern equipment and programming standards



Back up Generators at RP-1



Current Control System

EN17059 - RP-1 Iron Sponges Installation

- Contractor: W. A. Rasic
- Current Contract (Construction): \$320 K
- Total Project Budget: \$500 K
- Project Completion: December 2017
- Percentage Complete: 15%
- Scope of Work:
 - Install two redundant iron sponges
 - Remove hydrogen sulfide from digester gas
- Current Activities:
 - Shop drawings submittals review
 - Reviewing 50% design
- Focus Points:
 - Complete 50% design
 - Order long lead items



Flare Iron Sponge Location



Acid Phase Digester Iron Sponge

EN17006 - CCWRF Asset Management and Improvements

- Design Engineer: CDM Smith
- Current Contract (Design): \$3.6 M
- Total Project Budget: \$7 M
- Project Completion: June 2021
- Percentage Complete: 5%
- Scope of Work:
 - Improve odor control system
 - Upgrade headworks process
 - Modify aeration basins piping
- Current Activities:
 - Conduct workshop on current treatment alternatives
 - Begin condition assessment work plan
- Focus Points:
 - Prepare bypass plan
 - Shutdown coordination for condition assessment



Existing Odor Control Vessel



Aeration Blowers and Controls

EN17042 – RP-1 Digester 6 and 7 Roof Repairs

- Contractor: Synagro-WWT, Inc.
- Current Contract (Cleaning/Service): \$1.8 M
- Total Project Budget: \$3.8 M
- Project Completion: July 2019
- Percentage Complete: 25%
- Scope of Work:
 - Phase I: Clean Digesters/Replace Valves
 - Phase II: Determine causes of cracking/design repair
 - Phase II: Construct improvements and repair roof
- Current Activities:
 - Cleaning of Digester No. 1
 - Review Consultant proposals for Phase II
- Focus Points:
 - Complete Digester 1 cleaning
 - Consultant contract for Phase II to Board for consideration



Digester No. 6 Flame Arrester



Digester Area