

AGREEMENT TO PROVIDE WATER SYSTEM MANAGEMENT AT SAN JERARDO HOUSING COMMUNITY

This AGREEMENT is made and entered into by and between, the County of Monterey representing the Boronda County Sanitation District, a political subdivision of the State of California, hereinafter referred to as "County", and MCSI WATER SYSTEMS MANAGEMENT hereinafter referred to as "CONTRACTOR" and collectively referred to as, "the Parties."

RECITALS

- A. WHEREAS, County has invited proposals through the Request for Proposals (RFP # 10355) for Management, Maintenance, and Operation (O&M) of the San Jerardo Water Systems, in accordance with the specifications set forth in this AGREEMENT; and
- B. WHEREAS, CONTRACTOR has submitted a responsive and responsible proposal to perform such services; and
- C. WHEREAS, CONTRACTOR has the expertise and capabilities necessary to provide the services requested.

NOW THEREFORE, County and CONTRACTOR, for the consideration hereinafter named, agree as follows:

1.0 PERFORMANCE OF THE AGREEMENT

- 1.1 After consideration and evaluation of the CONTRACTOR'S proposal, the County hereby engages CONTRACTOR to provide the services set forth in RFP # 10355 and in this AGREEMENT on the terms and conditions contained herein and in RFP # 10355. The intent of this AGREEMENT is to summarize the contractual obligations of the parties. The component parts of this AGREEMENT include the following:

RFP # 10355 dated May 3, 2012, including all attachments and exhibits

Addenda # 1 and 2

CONTRACTOR'S Proposal dated June 13th, 2012, including all attachments and exhibits, to RFP # 10355

AGREEMENT

Certificate of Insurance

Additional Insured Endorsements

- 1.2 All of the above-referenced contract documents are intended to be complementary. Work required by one of the above-referenced contract documents and not by others shall be done as if required by all. In the event of a conflict between or among component parts of the contract, the contract documents shall be construed in the following order: AGREEMENT, CONTRACTOR'S Proposal, RFP#10355 including all attachments and exhibits, Addendum/Addenda, Certificate of Insurance, and Additional Insured Endorsements.

- 1.3 CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this AGREEMENT are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this AGREEMENT and are not employees of the County, or immediate family of an employee of the County.
- 1.4 CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this AGREEMENT that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.
- 1.4.1 CONTRACTOR must maintain all licenses throughout the term of the AGREEMENT
- 1.5 CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this AGREEMENT, except as otherwise specified in this AGREEMENT. CONTRACTOR shall not use County premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this AGREEMENT.

2.0 SCOPE OF SERVICE

- 2.1 The Scope of Work includes but is not limited to the following:
CONTRACTOR, as its primary service for the COUNTY, shall maintain, manage, and operate the San Jerardo Water System in a manner consistent with applicable Federal, State, and local County laws.
- All labor, parts, and services shall be performed and executed at the contracted rates as set forth in EXHIBIT D and EXHIBIT E – COST ESTIMATE SHEET.
- General and minimum requirements for the operation of a potable water system shall include:
- 2.1.2 Regulatory compliance requirements
 - 2.1.3 Operational management practices
 - 2.1.4 Real property management and maintenance
 - 2.1.5 Water quality management
- 2.2 Overview: Basic and routine service Operation and Maintenance (O&M) on an annual basis ("Basic Services") and generally non-routine and/or emergency services ("Specialized Services").
- 2.2.1 Basic Services: Unless otherwise noted, CONTRACTOR shall consider Basic Services as part of the CONTRACTOR's monthly operational fee and billed to the COUNTY accordingly.
 - 2.2.2 **Basic Services** shall be broken down into three categories:
 - a. Administrative services
 - b. Operations
 - c. Preventive Maintenance

2.3 Administrative Customer Service:

- 2.3.1 Administration of O&M: CONTRACTOR shall be responsible for managing the operations, maintenance and inspections of the System in accordance with customary utility practices and procedures and in compliance with all Federal, State, and County laws and regulations and to include the American Water Works Association (AWWA) Standards G100 and G200 for guidance and requirements. CONTRACTOR shall provide sufficient personnel (supervisory and operational) to perform its services hereunder.
- 2.3.2 Meter Reading and Billing: Among other essential administrative tasks, the CONTRACTOR shall monthly read water meters in the System, prepare water bills based on the meter readings, distribute said bills, and administer the collection and accounting of the bills.
- 2.3.3 Routine Calls and Service Questions: During normal business hours, the CONTRACTOR shall handle routine calls and in-person service inquiries on water service, billing, leaks, or other concerns of System customers.
- 2.3.4 After Hours On-Call Response: After normal business hours, the CONTRACTOR shall maintain an emergency communications system and provide on-call response to emergency calls for the System. In addition to routine equipment, the CONTRACTOR shall provide or have access to any and all equipment required to perform emergency repair work to essential System equipment and water mains. Any expenditure associated with said after-hours on-call response – i.e. overtime – shall be considered part of the CONTRACTOR's monthly operational fee and not charged to the COUNTY over and above that fee.
- 2.3.4.1 The parties hereto agree that in the absence of specific direction from the COUNTY, the CONTRACTOR, its employees, and agents are authorized to order all necessary emergency repairs and modifications to the System to maintain potable water service to the System's customers as CONTRACTOR deems necessary or appropriate under the specific circumstances and under applicable Federal, State, and County laws.
- 2.3.5 Operation and Maintenance Plan: CONTRACTOR shall clearly identify operational needs and adequate resources to meet present and future needs of San Jerardo Housing Cooperative Community.
- 2.3.5.1 CONTRACTOR shall develop within the first year of the execution of this Agreement an O&M Plan to meet any Federal, State, COUNTY standards and which shall be in conformance with any and all other parts of this Agreement, including the County Health Department's, *Guidelines for Preparation of an Operations and Maintenance Plan* which sets forth recommended tasks and minimum frequency for performing the tasks.
- 2.3.5.2 CONTRACTOR shall be responsible for timely and efficient implementation of this O&M Plan. The O&M Plan shall include a long-range capital replacement program for the San Jerardo water system. CONTRACTOR shall also identify resources that will be devoted to operation and maintenance of the

System in the O&M Plan which shall include specific functions such as billing operations, financial management, water testing, connection services, facility maintenance and repair.

- 2.3.6 Regulatory Compliance: CONTRACTOR shall submit data and reports, as required, to Federal, State, and COUNTY regulatory agencies to ensure continued regulatory compliance of the System. The CONTRACTOR shall also obtain any and all necessary permits for normal and routine operation of the System.
- 2.3.7 Business Office: CONTRACTOR shall operate and maintain a local business office, located in or near Salinas, for the purpose of conducting business with System customers. CONTRACTOR will provide adequate staffing for the following services regarding the System operations and customer service: walk-in bill paying, establishing new customer accounts, closing existing accounts, transferring service from one account to another, handling customer inquiries and complaints, and offering customers assistance.
- 2.3.8 County Payments: The monthly cash receipts, the payments received from the customers for water service shall be promptly remitted to the COUNTY.
- 2.3.9 Operational Reserve: The CONTRACTOR shall indicate, in the O&M Plan how the CONTRACTOR intends to meet the requirement for an operational reserve to respond to emergencies and equipment failures.

2.4 Operations

- 2.4.1 Daily Operation: CONTRACTOR shall provide acts and services necessary to furnish a high level of domestic water service to System customers in daily operation of the System. Daily operation services shall include, in addition to other services defined in this Agreement, operation of pumps and pump stations, by California State-certified water treatment operators of Grade II or better; water treatment or disinfection equipment operation; and transmission and distribution system operation.
- 2.4.2 Monthly Reporting: The CONTRACTOR shall provide the COUNTY written monthly reports covering the operations and maintenance of the System. These monthly reports shall briefly discuss any noted System deficiencies in water distribution and water quality, as well as procedures undertaken by the CONTRACTOR to remedy such deficiencies.
- 2.4.3 Annual Reporting: The CONTRACTOR shall provide the COUNTY written O&M reports on a quarterly and annual basis. These reports shall briefly discuss any noted System deficiencies in water distribution and water quality, as well as procedures undertaken by the CONTRACTOR to remedy such deficiencies. All reports shall also detail each account's monthly billings and amount collected for the period covered by the report. The annual reports shall include a discussion of implementing the O&M Plan, as discussed below, including optimization of System operation, setting of goals for the coming year, and assessment of implementing the previous year's goals.

2.4.4 Recordkeeping: The CONTRACTOR shall maintain records relating to the operation and maintenance of the System for at least five (5) years, except for chemical analyses and inspection/evaluation reports which must be retained for a minimum of ten (10) years. CONTRACTOR shall make the records available for inspection by the COUNTY at all reasonable times during normal business office hours and upon twenty-four (24) hours advance notice to the CONTRACTOR.

CONTRACTOR shall include the following:

- 2.4.4.1 Date, and time of service rendered;
- 2.4.4.2 Name of personnel involved;
- 2.4.4.3 Operational notes, including weekly calculation of chemical dosage;
- 2.4.4.4 Records of chlorine residual and location of residual measurement;
- 2.4.4.5 Records of any other water treatment;
- 2.4.4.6 Chlorination failure log;
- 2.4.4.7 Reports of bacteriological and chemical analyses;
- 2.4.4.8 Water supply production records
- 2.4.4.9 Inspection records
- 2.4.4.10 Records of maintenance and corrective actions performed
- 2.4.4.11 Variances, waivers, or exemptions granted by regulators.

2.4.3 Employee Training: CONTRACTOR shall implement adequate employee training on System operation and maintenance, including implementation of any Disaster and Emergency Response Plan.

2.4.4 Routine System Inspection: CONTRACTOR should inspect all above-ground System equipment often enough to ensure prompt detection of problems.

2.4.4.1 Daily inspection of the equipment is recommended. The COUNTY Health Department may impose more or less stringent requirements during the permitting process. CONTRACTOR shall comply with Health Departments permitting requirements.

2.4.4.2 CONTRACTOR shall also perform routine quarterly inspection of the distribution components of the System at a level sufficient to identify surface leaks. System Inspection should consist of a visual inspection of the equipment, checking and filling the chlorine solution level, measuring the chlorine residual, adjusting chlorination equipment as necessary, calculating the dosage rate, and writing down the results of the inspection. Any problems noted shall be corrected promptly.

2.4.5 Water Quality Sampling, Testing, and Reporting: CONTRACTOR shall provide trained and qualified personnel to ensure that the System is in compliance with existing Federal, State, and County laws and regulations pertaining to water quality.

2.4.5.1 CONTRACTOR shall perform, or cause to be performed, by a laboratory certified by the State of California, any and all water quality sampling, testing, analysis, and reporting as required for potable water sources, distribution mains, and service lines by the U.S.

Environmental Protection Agency, State of California Department of Public Health and Drinking Water Program, and the Monterey County Health Department or special acts of the U.S. Congress or California Legislature.

- 2.4.6 CONTRACTOR shall ensure that proper Chain of Custody procedures and forms are used. CONTRACTOR shall provide water quality services as listed herein, which shall include, but not be limited to: preparing monitoring plans; scheduling and collecting water samples for testing; transporting samples to a certified lab; maintaining water quality records; reporting to appropriate regulators; collecting and analyzing special or emergency samples; emergency notification to affected customers; responding to customer inquiries on water quality; preparing and sending the Annual Consumer Confidence Report to System customers; providing a hazardous material control program; ensuring all operator's certification is in compliance with State and Federal requirements; and paying fines or assessments if incurred due to CONTRACTOR's neglect. The Annual Consumer Confidence Report shall be prepared annually by CONTRACTOR, based on data collected from the previous year, and distributed to all System users by July 1st.
- 2.4.7 The following water quality constituents will be monitored for at each water supply source, as applicable (required frequency is indicated in parentheses, although waivers may be granted for longer frequencies):
- 2.4.7.1 Primary Inorganic Compounds (every 3 years)
 - 2.4.7.2 Secondary Compounds (every 3 years)
 - 2.4.7.3 Volatile Organic Chemicals (every 3 years)
 - 2.4.7.4 Synthetic Organic Chemicals (every 3 years)
 - 2.4.7.5 Radioactivity (4 consecutive quarters)
 - 2.4.7.6 Nitrates (quarterly);
 - 2.4.7.7 Coliform bacteria (once monthly).
- 2.4.8 Coliform Sampling and Testing: CONTRACTOR shall sample and test for coliform bacteria at least once per month, with one sample collected from the distribution system and one sample collected at the well head. Chlorine residuals shall also be determined for each coliform sample. Reporting of coliform test results shall be provided to the COUNTY Health Department.
- 2.4.9 Asbestos Testing: CONTRACTOR shall sample and test each water supply source for asbestos in the System at a minimum every nine (9) years, unless a waiver for reduced monitoring applies.
- 2.4.10 Cross-Connection Detection: At least on an annual basis, CONTRACTOR shall routinely inspect the System and analyze water usage to detect the presence of cross connections. CONTRACTOR shall then investigate potential or identified cross connections and notify residents of violations of Health Department criteria. CONTRACTOR shall list identified cross connections in annual reports and subsequently check within six (6) months of noted violation for correction of the cross connection.

- 2.4.11 Site Visit: CONTRACTOR shall allow authorized representatives of the COUNTY to visit and inspect the System at any time. If requested by the COUNTY representative, a representative of CONTRACTOR shall be available to accompany the COUNTY representative during any such site visit.
- 2.4.12 Update System Maps: CONTRACTOR shall update System maps per any maintenance or replacements, as appropriate given the level of detail on existing System maps.
- 2.4.13 Order Chemicals/Lubricants/Supplies: CONTRACTOR shall monitor the stock of chemicals, lubricants, and other supplies necessary to properly maintain the System and order such supplies as needed for proper System O&M. Supplies include but are not limited to lab supplies and repair materials necessary to properly operate the System.

2.5 Maintenance:

- 2.5.1 System Operation: In addition to other operational procedures identified herein, CONTRACTOR shall regularly exercise the mechanical facilities of the System to ensure their continued operation. Water valves shall to be exercised quarterly. Backflow preventers (BFPs), if present, shall be checked and exercised annually.
- 2.5.2 Hydrant Testing: CONTRACTOR shall regularly test fire hydrants and maintain hydrants to ensure proper operating order.
- 2.5.3 Electric Motor and Generator Set (EG Set)/Fire Pump Testing: CONTRACTOR shall regularly test the back-up electric motor and generator set (EG Set) and fire pumps and maintain the EG Set and Fire Pumps to ensure proper operating order.
- 2.5.4 Fleet Maintenance: CONTRACTOR shall regularly inspect the fleet vehicles used for services under this Agreement and maintain these vehicles to ensure proper operating order.
- 2.5.5 Telemetry Maintenance: CONTRACTOR shall regularly test the telemetry components of the System and maintain the telemetry equipment to ensure proper operating order.
- 2.5.6 Control Maintenance: CONTRACTOR shall regularly test the electrical controls of the System and maintain the controls to ensure proper operating order.
- 2.5.7 Chlorinator Equipment Maintenance: In accord with the COUNTY Operational Requirements for Chlorination Systems, CONTRACTOR shall adequately ensure the following with respect to chlorination equipment (referred to as "equipment" below):
- 2.5.7.1 The equipment shall be in good operating condition and adequate for the application
 - 2.5.7.2 The equipment shall be covered from the elements
 - 2.5.7.3 Equipment shall provide a consistent feed rate under all operating conditions;
 - 2.5.7.4 The chlorinator shall be activated by the circuit controlling the well pump or in response to a signal from the flow meter

- 2.5.7.5 A flow meter shall be provided to allow for calculation of chemical dosages;
- 2.5.7.6 The chlorine solution storage crock shall be designed for use in mixing and measuring chlorine solutions. It shall be large enough to hold enough solution for one week of peak use plus a prudent reserve. The amount of chemical in the crock shall be able to be accurately measured by taking readings from marks on the container
- 2.5.7.7 Equipment for monitoring chlorine residuals shall use the DPD method. For example, Hach DR100 Chlorimeter or equivalent may be used.

2.5.8 Grounds keeping: CONTRACTOR shall regularly manage and maintain or cause to be maintained real property belonging to the System, so that hazards are minimized. Grounds keeping duties include but are not limited to routine site inspections, grass mowing, and litter collection and disposal.

2.6 Specialized Services:

Specialized Services for this agreement are placed into two categories: Administrative and (As-Needed) O&M. Certain administrative functions may be required or desired over time to enhance the O&M of the System. Non-routine maintenance may be required on a As-needed based on information gathered during routine inspections. These Specialized Services will not be required under the Agreement unless CONTRACTOR is given a separate Notice-to-Proceed. Prior to giving Notice-to-Proceed on these services, the COUNTY will require an itemized fee schedule from CONTRACTOR with a detailed scope of services.

2.7 Administrative/Customer Service:

- 2.7.1 Water Conservation Program: Given the age of the System, customers' desire to minimize water and wastewater bills, and the various regulations and requirements encouraging water conservation, CONTRACTOR shall develop and implement a Water Conservation Program based on available and appropriate water conservation standards. The Water Conservation Program shall include provisions to replace water fixtures, minimize landscape irrigation, and implement other Best Management Practices where practical.
- 2.7.2 Energy Management Program: To reduce energy costs and reduce wear and tear on the System's electrical components. CONTRACTOR shall develop and implement an Energy Management Program that identifies System components and procedures that could be made more energy-efficient while maintaining adequate operation of the System.
- 2.7.3 Standard Operation Procedures: As part of the O&M Plan, CONTRACTOR shall develop Standard Operation Procedures (SOPs) for routine and non-routine System O&M tasks. A manual of SOPs shall be prepared and periodically updated. System O&M staff shall also be routinely trained on the SOPs and a copy of the SOPs manual kept in a convenient location for review and use by System O&M staff.

2.8 As-Needed O&M Services shall include:

- 2.8.1 O&M of water system shall include; all 67 connections to the SYSTEM, supply, treatment, storage, and distribution facilities, up to and including individual water meters.
- 2.8.2 All wells, well pumps, well-head, treatment facilities, meters, fencing, landscaping, structures, and associated appurtenances.
- 2.8.3 All transmission pipeline, valves and appurtenances, connecting the well site with the tank site.
- 2.8.4 All emergency inter-tie pipelines, valves and appurtenances interconnecting the SYSTEM with the Foothill Estates water system.
- 2.8.5 All tanks, pumps, valves, emergency generator, electrical panels, controls and alarms, distribution pipelines, fire hydrants, fencing, landscaping, structures, and associated appurtenances.
- 2.8.6 All water service connections, up to and including meters and any vaults;
- 2.8.7 All easements and appurtenances owned by the COUNTY that are part of the SYSTEM
- 2.8.8 All related parcels of real property owned by the COUNTY and part of the SYSTEM
- 2.8.9 Meter Repair: Residential and non-residential water meters shall be replaced with a similar meter if the existing meter is found to be ineffective for accurate and regular meter reading.
- 2.8.10 CONTRACTOR shall perform, if capable, other repairs and replacements of System components, when needed.
- 2.8.11 Flush System: In addition or in conjunction with the System Inspection, CONTRACTOR shall develop and implement a program to routinely flush System water mains, hydrants, the storage tank, and dead-end lines. Flushing should be done at least quarterly.
- 2.8.12 Leak Detection: CONTRACTOR shall perform inspection of any suspected or reported pipeline or equipment leaks, record findings of inspection, and recommend any follow-up actions in a written report.
- 2.8.13 New Service Connections: CONTRACTOR shall perform inspection and final sign-off functions related to all new service connection permits.
- 2.8.14 Well Flushing: CONTRACTOR shall perform inspection and final sign-off functions related to all new service connection permits.

2.9 Capital (Major) and Minor Improvements:

CONTRACTOR shall not make any capital improvements, or perform any of the Specialized Services, without prior authorization of the COUNTY. All other repairs or replacements exceeding \$1,000 shall require authorization by the COUNTY before the work may proceed.

2.10 Chemical Additive Requirements:

All chemicals or products, including chlorine, added directly to the drinking water as part of a treatment process shall meet the ANSI/NSF Standard 60. The manufacturer or distributor of the chemical should be able to provide documentation of compliance with this requirement.

2.11 Equipment:

CONTRACTOR shall own, lease, or otherwise have use of the necessary equipment to provide the requested services during the Term of the Agreement.

2.12 Operator Certification:

CONTRACTOR shall ensure that only operators with State Water Treatment Operator's certificate of the appropriate grade in compliance with Section 4017(d) and 7107 of the California Health and Safety Code shall be in charge of the System operations during the Term of this Agreement.

CONTRACTOR shall ensure that only operators with Grade 1 certificate shall be in charge of the operation of the chlorination system.

3.0 TERM OF AGREEMENT

3.1 The initial term shall commence with the signing of the AGREEMENT through and including March 31, 2014, with the option to extend the AGREEMENT for four (4) additional one (1) year periods. County is not required to state a reason if it elects not to renew this AGREEMENT.

3.2 In the event the Parties to this AGREEMENT exercise the option to extend this AGREEMENT, the Parties must commence negotiations for any desired rate changes and/or changes to the terms and conditions of this AGREEMENT a minimum of ninety (90) days prior to the expiration of this AGREEMENT. Further, the Parties to this AGREEMENT must mutually agree to any extension of this AGREEMENT, including any changes in rate and/or any changes to the terms and conditions of the AGREEMENT in writing, prior to renewal or extension of this AGREEMENT.

3.3 NON-APPROPRIATIONS: Notwithstanding anything contained in this AGREEMENT to the contrary, if insufficient funds are appropriated, or funds are otherwise unavailable in the budget for County for any reason whatsoever in any fiscal year, for payments due under this AGREEMENT, County will immediately notify CONTRACTOR of such occurrence, and this AGREEMENT shall terminate after the last day during the fiscal year for which appropriations shall have been budgeted for County or are otherwise available for payments.

4.0 COMPENSATION AND PAYMENTS

- 4.1 It is mutually understood and agreed by both parties that CONTRACTOR shall be compensated under this AGREEMENT in accordance with **EXHIBIT E and EXHIBIT D COST ESTIMATE SHEET**, attached hereto.
- 4.1.1 This agreement shall not exceed **\$181,188.00** for the initial three (3) years of the AGREEMENT. Further, the parties understand and agree that the annual not to exceed amount for each year shall not exceed \$60,396.00 per year.
- 4.2 Prices shall remain firm for the initial first year of this AGREEMENT and, thereafter, if the parties mutually agree, prices may be adjusted as provided in this Section. County does not guarantee any minimum or maximum amount of dollars to be spent under this AGREEMENT.
- 4.3 Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of this AGREEMENT.
- 4.4 Any discount offered by CONTRACTOR shall allow for payment after receipt and acceptance of services, material or equipment and correct invoice, whichever is later. In no case will a discount be considered that requires payment in less than 30 days.
- 4.5 CONTRACTOR shall levy no additional fees or surcharges of any kind during the term of this AGREEMENT without first obtaining approval from County in writing.
- 4.6 Tax:
- 4.6.1 Pricing as per this AGREEMENT is inclusive of all applicable taxes.
- 4.6.2 County is registered with the Internal Revenue Service, San Francisco office, and registration number 94730022K. The County is exempt from Federal Transportation Tax; an exemption certificate is not required where shipping documents show Monterey County as consignee.

5.0 INVOICES AND PURCHASE ORDERS

- 5.1 Invoices for all services rendered per this AGREEMENT shall be billed directly to:

**Boronda County Sanitation District – San Jerardo
County of Monterey
Department of Public Works
168 W. Alisal St., 2nd Floor
Salinas, CA 93901**

- 5.2 CONTRACTOR shall reference the RFP #10355 on all invoices submitted to County. CONTRACTOR shall submit such invoices periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. County

shall certify the invoice, either in the requested amount or in such other amount as County approves in conformity with this AGREEMENT, and shall promptly submit such invoice to County Auditor-Controller for payment. County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

- 5.3 All County of Monterey Purchase Orders issued for the AGREEMENT is valid only during the fiscal year in which they are issued (the fiscal year is defined as July 1 through June 30).
- 5.4 Unauthorized Surcharges or Fees: Invoices containing unauthorized surcharges or unauthorized fees of any kind shall be rejected by County. Surcharges and additional fees not included in the AGREEMENT must be approved by County in writing via an Amendment.

6.0 STANDARD INDEMNIFICATION

CONTRACTOR shall indemnify, defend, and hold harmless County, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this AGREEMENT, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with CONTRACTOR's performance of this AGREEMENT, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of County. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

7.0 INSURANCE REQUIREMENTS

7.1 Evidence of Coverage:

- 7.1.1 Prior to commencement of this AGREEMENT, CONTRACTOR shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition CONTRACTOR upon request shall provide a certified copy of the policy or policies.
- 7.1.2 This verification of coverage shall be sent to the County's Contracts/Purchasing Department, unless otherwise directed. CONTRACTOR shall not receive a "Notice to Proceed" with the work under this AGREEMENT until it has obtained all insurance required and such, insurance has been approved by County. This approval of insurance shall neither relieve nor decrease the liability of CONTRACTOR.
- 7.1.3 Qualifying Insurers: All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of

not less than A- VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by County's Purchasing Officer.

7.2 **Insurance Coverage Requirements:**

7.2.1 Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this AGREEMENT a policy or policies of insurance with the following minimum limits of liability:

7.2.1.1 **Commercial general liability insurance**, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broadform Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

7.2.1.2 **Business automobile liability insurance**, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this AGREEMENT, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

7.2.1.3 **Workers' Compensation Insurance**, if CONTRACTOR employs others in the performance of this AGREEMENT, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

7.2.1.4 **Professional liability insurance**, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, CONTRACTOR shall, upon the expiration or earlier termination of this AGREEMENT, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this AGREEMENT.

7.3 **Other Insurance Requirements:**

7.3.1 All insurance required by this AGREEMENT shall be with a company acceptable to County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this AGREEMENT, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this AGREEMENT.

- 7.3.2 Each liability policy shall provide that County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for CONTRACTOR and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this AGREEMENT, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.
- 7.3.3 Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of CONTRACTOR'S work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by CONTRACTOR'S insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.
- 7.3.4 Prior to the execution of this AGREEMENT by County, CONTRACTOR shall file certificates of insurance with County's contract administrator and County's Contracts/Purchasing Division, showing that CONTRACTOR has in effect the insurance required by this AGREEMENT. CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this AGREEMENT, which shall continue in full force and effect.
- 7.3.5 CONTRACTOR shall at all times during the term of this AGREEMENT maintain in force the insurance coverage required under this AGREEMENT and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this AGREEMENT, which entitles County, at its sole discretion, to terminate this AGREEMENT immediately.

8.0 RECORDS AND CONFIDENTIALITY

- 8.1 Confidentiality: CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this AGREEMENT, unless County specifically permits CONTRACTOR to

disclose such records or information. CONTRACTOR shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this AGREEMENT except for the sole purpose of carrying out CONTRACTOR's obligations under this AGREEMENT.

- 8.2 County Records: When this AGREEMENT expires or terminates, CONTRACTOR shall return to County any County records which CONTRACTOR used or received from County to perform services under this AGREEMENT.
- 8.3 Maintenance of Records: CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this AGREEMENT.
- 8.4 Access to and Audit of Records: County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of CONTRACTOR and its subcontractors related to services provided under this AGREEMENT. Pursuant to Government Code section 8546.7, if this AGREEMENT involves the expenditure of public funds in excess of \$10,000, the parties to this AGREEMENT may be subject, at the request of County or as part of any audit of County, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this AGREEMENT for a period of three years after final payment under the AGREEMENT.

9.0 NON-DISCRIMINATION

- 9.1 During the performance of this contract, CONTRACTOR shall not unlawfully discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), sex, or sexual orientation. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment are free of such discrimination. CONTRACTOR shall comply with the provisions of the Fair Employment and Housing Act (Government Code, §12900, et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, §7285.0, et seq.).
- 9.2 The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, §12900, et seq., set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this AGREEMENT by reference and made a part hereof as if set forth in full.
- 9.3 CONTRACTOR shall include the non-discrimination and compliance provisions of the clause in all AGREEMENTs with subcontractors to perform work under the contract.

10.0 OVERRIDING CONTRACTOR PERFORMANCE REQUIREMENTS

- 10.1** Independent Contractor: CONTRACTOR shall be an independent contractor and shall not be an employee of Monterey County, nor immediate family of an employee of County. CONTRACTOR shall be responsible for all insurance (General Liability, Automobile, Workers' Compensation, unemployment, etc.) and all payroll-related taxes. CONTRACTOR shall not be entitled to any employee benefits. CONTRACTOR shall control the manner and means of accomplishing the result contracted for herein.
- 10.2** Minimum Work Performance Percentage: CONTRACTOR shall perform with his own organization contract work amounting to not less than 50 percent of the original total AGREEMENT amount, except that any designated 'Specialty Items' may be performed by subcontract and the amount of any such 'Specialty Items' so performed may be deducted from the original total AGREEMENT amount before computing the amount of work required to be performed by CONTRACTOR with his own organization or per a consortium.

11.0 CONFLICT OF INTEREST

CONTRACTOR covenants that CONTRACTOR, its responsible officers, and its employees having major responsibilities for the performance of work under the AGREEMENT, presently have no interest and during the term of this AGREEMENT will not acquire any interests, direct or indirect, which might conflict in any manner or degree with the performance of CONTRACTOR'S services under this AGREEMENT.

12.0 COMPLIANCE WITH APPLICABLE LAWS

- 12.1** CONTRACTOR shall keep itself informed of and in compliance with all federal, state and local laws, ordinances, regulations, and orders, including but not limited to all state and federal tax laws that may affect in any manner the Project or the performance of the Services or those engaged to perform Services under this AGREEMENT. CONTRACTOR shall procure all permits and licenses, pay all charges and fees, and give all notices required by law in the performance of the Services.
- 12.2** CONTRACTOR shall report immediately to County's Contracts/Purchasing Officer, in writing, any discrepancy or inconsistency it discovers in the laws, ordinances, regulations, orders, and/or guidelines in relation to the Project of the performance of the Services.
- 12.3** All documentation prepared by CONTRACTOR shall provide for a completed project that conforms to all applicable codes, rules, regulations and guidelines that are in force at the time such documentation is prepared.

13.0 FORCE MAJEURE

In the case of default by CONTRACTOR, County may procure the articles or services from other sources and may recover the loss occasioned thereby from any unpaid balance due to CONTRACTOR or by proceeding against any performance bond of CONTRACTOR, if any, or by suit against CONTRACTOR. The prices paid by County shall be considered the prevailing market price at the time such purchase(s) may be made. Inspections of deliveries or offers for deliveries that do not meet specifications shall be made at the expense of CONTRACTOR.

14.0 TRAVEL REIMBURSEMENT

Travel cost shall be included in CONTRACTOR'S rates to the COUNTY. No additional reimbursement for travel will be considered in this agreement.

15.0 PERFORMANCE BOND

- 15.1 CONTRACTOR shall provide a performance security bond of \$60,000.00.
- 15.2 CONTRACTOR may offer the performance security entirely through an irrevocable letter of credit or by any combination of an irrevocable letter of credit and a performance bond totaling sixty thousand dollars (\$60,000).
- 15.2.2 The irrevocable letter of credit shall be in a form acceptable to the County, and it shall be issued by a federally insured (FDIC) banking institution, acceptable to the County, with a debt rating of 1A or higher by the FDIC; A-or higher by Standard and Poor's; A-or higher by Moody's investors; or have a comparable rating by another rating system acceptable to the County.
- 15.3 If a performance bond is provided to the County, the surety shall satisfy the following requirements:
- 15.3.1 Shall be a California Admitted Surety insurer under the Bond and Undertaking Law, California Code of Civil Procedure Sections 995.101 et seq.,
- 15.3.2 Shall be either a current A.M. Best A IV rated Surety or has a current Standard and Poor's rating of A.
- 15.3.3 The performance bond shall provide for the immediate release of funds to the County upon notice of material breach of the AGREEMENT.
- 15.3.4 The performance bond shall also provide that any legal dispute, which CONTRACTOR or the bonding company may initiate, shall not delay the release of funds to the County.

15.4 The irrevocable letter of credit and/or performance bond shall be used to assure the management, maintenance and operation of the San Jerardo Water System, including, but not limited to, the conduct of a procurement process, and negotiation or related administrative expenses, and additional contract costs incurred as a result of contracting with a new contractor, should the County terminate performance of CONTRACTOR under the AGREEMENT because of failure to perform the scope of services as outlined within Section 2.0 of the AGREEMENT.

15.5 Breach of Agreement Remedies:

15.5.1 Thirty Days' Notice of Breach - Opportunity to Cure: If CONTRACTOR breaches any provision of this AGREEMENT, COUNTY, may give Thirty Days written notice to CONTRACTOR, in accordance with the means of providing notice set forth in Section 20 below, detailing CONTRACTOR'S violations. If such violation/s is/are not corrected to the reasonable satisfaction of COUNTY within thirty (30) days after the date of notice of violation/s, or within such a reasonable time as may be required to cure the violation/s (provided the acts to cure the violation/s are commenced within thirty (30) days and thereafter diligently pursued to completion), the COUNTY may, without further notice, declare CONTRACTOR to be in breach of this AGREEMENT. Upon COUNTY'S declaration of CONTRACTOR'S breach, COUNTY may pursue any remedy available under local, state, or federal law, including those specifically provided for in this Section.

15.6 CONTRACTOR's failure to meet the performance security requirements after and during the execution of the agreement may be deemed a material breach of the AGREEMENT.

16.0 EMERGENCY SITUATIONS

CONTRACTOR shall provide the name and contact information of a representative who shall be available 24 hours a day, 7 days a week, in the event of an emergency. During the emergency, CONTRACTOR shall provide County with all available supplies, materials, equipment and/or services on a priority basis.

County expects emergency deliveries to occur within 4 hours of order placement and may be required during evenings, weekends, and holidays. Time is of the essence for delivery during emergency situations. Delivery location(s) and estimated arrival will be mutually agreed upon, by County and CONTRACTOR, at time of order and will be determined based on need and existing conditions. It is understood that current conditions, such as power outages, road closures, and damages to CONTRACTOR's facility and/or equipment, will be taken into consideration. It is understood and agreed that emergency repairs or replacements are within the scope of operation and management of the water system. It is also understood and agreed that any emergency repairs or replacements which require a licensed contractor will not be performed by CONTRACTOR and, that a licensed contractor, acceptable to the County and/or on any on-call list with the County, shall perform said emergency repairs or replacements. Emergency repairs or replacements exceeding \$1,000 shall require authorization by COUNTY before the work may proceed.

17.0 HAZARDOUS MATERIALS

HAZARDOUS MATERIALS: Transportation of any hazardous materials to County must be done so in conformance with SARA Title 3 as amended. Appropriate documentation must be provided in a Material Safety Data Sheet (MSDS) and other documentation as necessary relating to the traits, characteristics, and pervasive properties of any hazardous materials shipped to the County of Monterey. The shipper understands that County shall not accept any shipment of hazardous materials without complete documentation and safety information as required by law. County shall not take responsibility for the accidental or purposeful discharge or release of any hazardous material. County does not take responsibility for the improper packaging and/or transportation of any hazardous materials ordered by County while in transit or storage prior to delivery and acceptance by County.

18.0 DAMAGE

CONTRACTOR shall be held responsible for any breakage, loss of the COUNTY's equipment or supplies through negligence of CONTRACTOR or his employee while working on the COUNTY's premises. CONTRACTOR shall be responsible for restoring/replacing any equipment, facilities, etc. so damaged. CONTRACTOR shall immediately report to the COUNTY any damages to the premises resulting from services performed under this AGREEMENT.

19.0 PROTECTION OF PUBLIC

CONTRACTOR shall provide adequate warning devices, barricades, guards, flagmen, or other necessary precautions shall be taken by CONTRACTOR to give advice and reasonable protection, safety and warning to persons and vehicular traffic concerned in the area(s) affected by this AGREEMENT.

20.0 LEGAL DISPUTES

Notices required to be given to the respective parties under this AGREEMENT shall be deemed given by any of the following means: (1) when personally delivered to County's contract administrator or to CONTRACTOR'S responsible officer; (2) when personally delivered to the party's principle place of business during normal business hours, by leaving notice with any person apparently in charge of the office and advising such person of the import and contents of the notice; (3) 24 hours after the notice is transmitted by FAX machine to the other party, at the party's FAX number specified pursuant to this AGREEMENT, provided that the party giving notice by FAX must promptly confirm receipt of the FAX by telephone to the receiving party's office; or, (4) three (3) days after the notice is deposited in the U. S. mail with first class or better postage fully prepaid, addressed to the party as indicated below.

CONTRACTOR agrees that this AGREEMENT and any dispute arising from the relationship between the parties to this AGREEMENT, shall be governed and interpreted by the laws of the State of California, excluding any laws that direct the application of another jurisdiction's laws.

Any dispute that arises under or relates to this AGREEMENT (whether contract, tort, or both) shall be resolved in the Superior Court of California in Monterey County, California.

CONTRACTOR shall continue to perform under this AGREEMENT during any dispute.

The parties agree to waive their separate rights to a trial by jury. This waiver means that the trial will be before a judge.

Notices mailed or faxed to the parties shall be addressed as follows:

TO COUNTY:

Contracts/Purchasing Officer
County of Monterey, Contracts/Purchasing
168 W. Alisal Street, 3rd Floor.
Salinas, CA 93901-2439
Tel. No.: (831) 755-4990
FAX No.: (831) 755-4969
Email: derrm@co.monterey.ca.us

TO CONTRACTOR:

MCSI Water Systems management
11552 Hidden Hills Road
Carmel Valley, CA 93924
Tel. No.: (831) 659-5360
FAX No.: (831) 659-3166
Email: h2oman97@aol.com

(This section intentionally left blank)

IN WITNESS WHEREOF, the County and CONTRACTOR execute this AGREEMENT as follows:

MONTEREY COUNTY

CONTRACTOR

Contracts/Purchasing Officer

By: *Ross L Hatch* PRESIDENT
Signature of Chair, President, or
Vice-President

Dated: _____

ROSS L. HATCH, PRESIDENT
Printed Name and Title

Approved as to Fiscal Provisions:

Dated: _____

Auditor/Controller

By: *Russell L Hatch*
(Signature of Secretary, Asst. Secretary, CFO,
Treasurer or Asst. Treasurer)*

Dated: 5-29-13

Russell L. Hatch
Printed Name and Title

APPROVED AS TO LIABILITY PROVISIONS:
COUNTY OF MONTEREY

Dated: 4/9/13

APPROVED AS TO INDEMNITY/
INSURANCE LANGUAGE
Risk Management

By: *Dydia Shumaku*
Date: 6-25-13

Approved as to Form:

Deputy County Counsel

Dated: May 29 2013

EXHIBIT A BORONDA COUNTY SANITATION DISTRICT SITE MAP LAYOUT

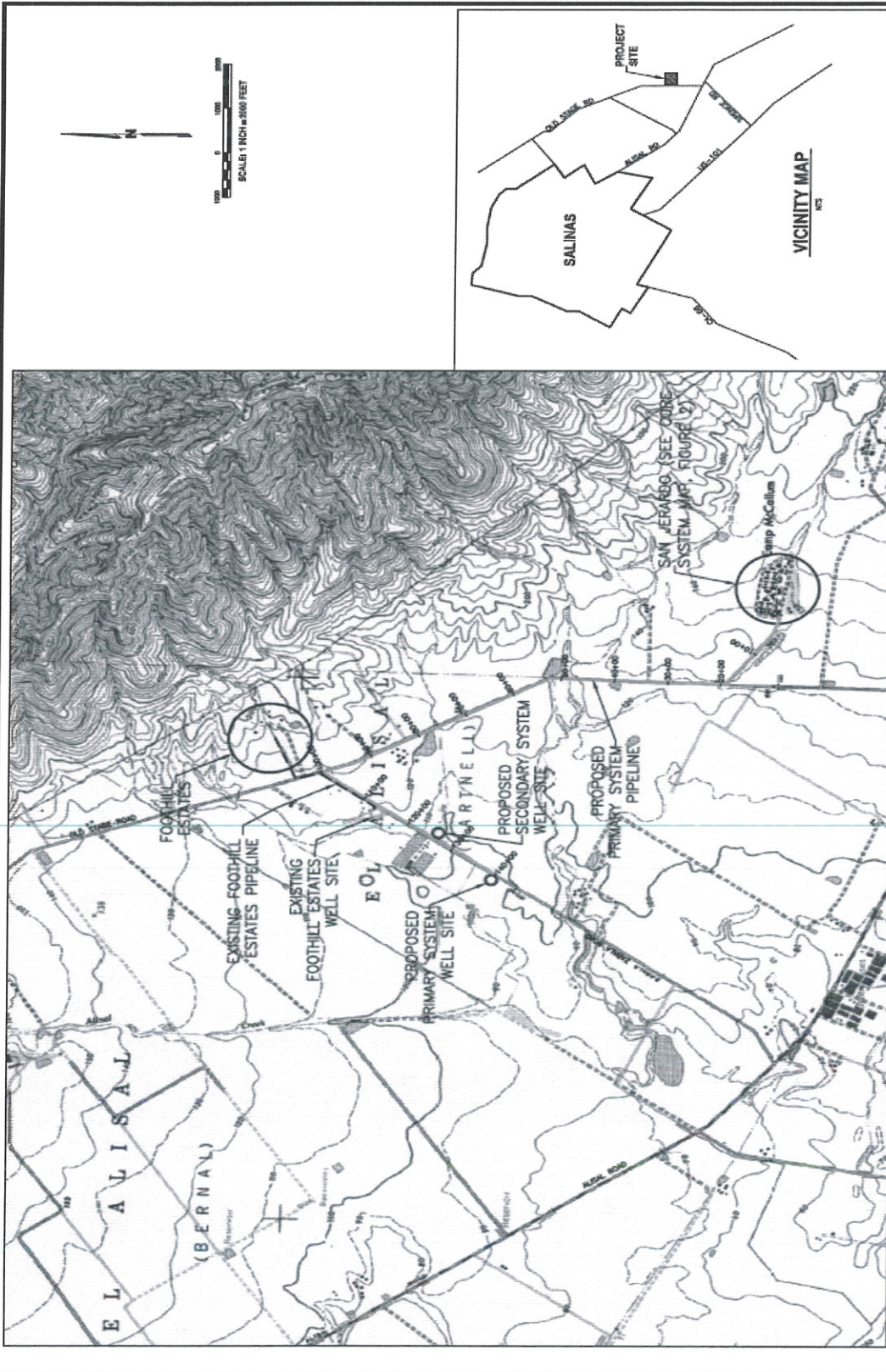


FIGURE 1	SAN JERARDO CO-OP WELL REPLACEMENT AND STORAGE PROJECT	
2/14/07	SCALE: AS NOTED	Schaaf & Wheeler CONSULTING CIVIL ENGINEERS 100 N. WINCHESTER BLVD, STE. 200 SANTA CLARA, CA 95050 (408) 246-4848
	DESIGN:	
	DRAWN: LMC	
	CHECKED:	

EXHIBIT B SAN JERARDO COMMUNITY MAP



SAN JERARDO WATER IMPROVEMENT PROJECT
PROJECT NO. 09-000000

DATE	NOV 10 2009	SCALE	AS SHOWN
PROJECT NO.	09-000000	DATE	NOV 10 2009
PROJECT NAME	SAN JERARDO WATER IMPROVEMENT PROJECT	DATE	NOV 10 2009
PROJECT NO.	09-000000	DATE	NOV 10 2009
PROJECT NAME	SAN JERARDO WATER IMPROVEMENT PROJECT	DATE	NOV 10 2009

COUNTY OF MONTEREY
RESOURCE MANAGEMENT AGENCY
DEPARTMENT OF PUBLIC WORKS

1000 W. CALIFORNIA STREET
SAN JERARDO, CA 95050
(408) 752-1000 FAX (408) 752-3556

NO.	DATE	BY	DESCRIPTION
1			
2			
3			
4			

carollo

08-21-08
08-21-08

DATE: 08-21-08
BY: [Signature]
CHECKED: [Signature]
DATE: 08-21-08
BY: [Signature]

**EXHIBIT C BORONDA COUNTY SANITATION DISTRICT
FACILITIES LIST**

SAN JERARDO HOUSING COOPERATIVE

WATER SYSTEM

PRIMARY WATER SUPPLY SYSTEM	STORAGE AND DISTRIBUTION SYSTEM
<p align="center">Well System</p> <p>400' of 10" Casing</p> <p>10" Grundfos pump</p> <p>Well housing</p> <p>Electrical service, instrumentation, controls, and housing</p> <p>Real property</p> <p>Site fencing and gates</p> <p>Chlorine storage tank</p> <p>Chlorine well-head disinfection system</p> <p align="center">Offsite Pipelines</p> <p>11,500' of 6" PVC (from well to reservoir)</p> <p>ARV assembly</p> <p>Blow-off assembly</p> <p>Associated gate valves</p>	<p align="center">Storage/Pumping</p> <p>325,000 gallon above-ground steel tank</p> <p>Hydropneumatic tank</p> <p>1,700 gallon-per-minute fire booster pumps</p> <p>700' of 8" piping</p> <p>Associated valves and electrical</p> <p align="center">Onsite Pipelines</p> <p>1,047' of 8" ACP</p> <p>1,341' of 6" ACP</p> <p>701' of 4" ACP</p> <p>123' of 2" PVC</p> <p>508' of 1.5" PVC</p> <p>1,741' of 1" PVC</p> <p>638' of 3/4" PVC</p> <p align="center">Miscellaneous</p> <p>Associated valves</p> <p>Associated fire hydrants</p> <p>64 residential meters</p> <p>3 non-residential meters (community center, day care center, soccer field)</p>
<p align="center">SECONDARY WATER SUPPLY SYSTEM</p> <p>6" PVC connection with Foothills Estate Water System</p> <p>Metering and isolation valves for connection</p> <p>Electrical service, instrumentation, controls, and housing</p>	

EXHIBIT D REVISED COST ESTIMATE SHEET
--

OPERATION & MAINTENANCE OF WATER SYSTEM FACILITIES

SAN JERARDO HOUSING COOPERATIVE

Exhibit 2 – Cost Estimate Sheet

Item No.	Item Description	Quantity	Unit	Unit Cost	Annual Total Cost
Basics Services (Biddable)					
1 Administrative/Customer Service					
1.01	Administration of O&M Services	1	LS	\$ 835	\$ 10,020
1.02	Meter reading	12	Months	\$ 300	\$ 3,600
1.03	Billing Administration	12	Months	\$ 350	\$ 4,200
1.04	Handling routine calls/service questions	12	Months	\$	\$ Included
1.05	After-hours response (4 hrs) to customer calls	24	EA	\$ 215	\$ 2,580
1.06	Prepare and Implement O&M Plan	1	LS	\$	\$ 1,200
1.07	Regulatory compliance	1	LS	\$	\$ Included
2 Operations					
2.01	Daily operations/adjustments	261	Days	\$ 1,927	\$ 23,124
2.02	Monthly reports	12	Months	\$ 150	\$ 1,800
2.03	Annual analysis/reporting	1	LS	\$	\$ 1,500
2.04	Manage maintenance records	1	LS	\$	\$ Included
2.05	Staff training	1	LS	\$	\$ 1,200
2.06	Equipment inspection (see facilities list)*	1	LS	\$	\$ Included
2.07	Water Quality sampling/testing (residual, corrosion, MCLs, aesthetics) (see section 5)	1	LS	\$ 167	\$ 2,004
2.10	Cross connection detection	1	LS	\$	\$ 750
2.11	Accompany County staff on site visit	4	EA	\$ 55.67	\$ 668
2.12	Update System Maps	1	LS	\$	\$ 1,250
2.13	Order chemicals/lubricants/supplies	1	LS	\$	\$ Included
3 (Preventive) Maintenance					
3.01	Valve exercising	2	EA	\$ 50	\$ 600
3.02	Hydrant testing	1	EA	\$	\$
3.03	EG set/fire pump testing	12	Months	\$	\$ Included
3.04	Fleet maintenance	12	Months	\$	\$ Included
3.05	Telemetry maintenance	1	LS	\$	\$ (see section 5)
3.06	Control maintenance	1	LS	\$	\$ (see section 5)
3.07	Chlorinator equipment maintenance	1	LS	\$	\$ 1,500
3.08	Grounds keeping	1	LS	\$	\$ 1,500

4 Specialized Services (Optional) - Must be approved				
Administrative/Customer Service				
4.01 Water Conservation Program develop/implement	1	LS	\$	\$ 1,200
4.02 Energy Management Program develop/implement	1	LS	\$	\$ 600
4.03 Standard Operating Procedures develop/implement	1	LS	\$	\$ 600
(As-Needed) O&M				
Meter Repair	1	LS	\$	\$
Equipment replacement				
Meter	1	LS	\$	\$
Valve	1	LS	\$	\$
Hydrant	1	LS	\$	\$
Booster Pumps	1	LS	\$	\$
Pipeline (mains)	1	LS	\$	\$
System flush	1	LS	\$	\$ 500
Leak detection	1	LS	\$	\$
New connection (tapping)	1	LS	\$	\$
TOTAL			\$4,049.67	\$60,396.00

EXHIBIT E COST ESTIMATE

MCSI WATER SYSTEMS MANAGEMENT

Monterey County RFP #10355

We have separated each item by monthly and annual cost. Monthly cost is detailed under “Unit Cost” and annual costs under “Annual Total Cost”. All items listed as LS “Lump Sum” have been broken down into monthly cost with the total lump sum figure listed under “Annual Total Cost”. Items which are included in other services, such as daily, monthly or annual inspections and maintenance are marked “included”. Some items listed in Exhibit D of this AGREEMENT cannot be broken down into a Lump Sum cost or are included in other services. These items include:

1.05 After-hours response (4 hrs.) to customer calls; 24 EA

Based on our experience with San Jerardo, after hours customer calls are rare.

We estimate approximately 5 calls of this type per year.

1.07 Regulatory Compliance

This cost is subject to change. As Health Department regulations and requirements change frequently, we have attempted to estimate the monthly and yearly cost.

2.06 Equipment inspection

This cost is included in Section 2.01 Daily operations/adjustments of Exhibit D.

2.07 Water Quality sampling/testing (residual, corrosion, MCL's, aesthetics).

These costs are highly variable as some sample requirements are based on previous sample results. For example, increased testing may be required per Health Department regulation for total coliform samples; if a positive sample is detected, multiple re-samples are required. Health Department regulations require 4 repeat samples within 24 hours of a positive sample result. If any one of the four are positive, four more are required continuing in that fashion until all four are negative (clean) in one sample round. Five routine samples are then required for the month following a positive sample round(s). In addition, the Health Department may require public notification, proof of notification and an investigation and report completed and filed with their department.

Pricing as listed in Exhibit D item 2.07 will be for two routine total coliform/E.coli tests per month and collection of all required quarterly, yearly and tri-annual samples. Costs for lab charges are not included as these costs will vary greatly depending on what samples are required.

MCSI will provide sample collection and delivery, chain of custody form submittal, result analysis, and reporting of all Health Department required tests per section 4.2; 4.2.9 for the cost listed in section 2.07 of Exhibit D. Additional testing may be required by the Health Department based on results of those tests. All lab fees will be billed to County in addition to the cost listed in section 2.07 at cost with no mark-up. Based on our

experience, you can expect some lab charge invoices may exceed \$2500.00 in months where quarterly, yearly, and tri annual sampling is required. MCSI will make every effort to notify County when these charges are forthcoming. Lab charges for additional Health Department required bacteriological, chemical, radiological or other sampling will be billed to County at cost with no mark-up.

3.03 to 3.06 EG set, Fire pump testing, Fleet, Telemetry, Control maintenance

Costs for items 3.03 to 3.06 are included in item 2.01.

3.05 Telemetry Maintenance

MCSI will monitor and inspect the telemetry system, per KBL, CONTRACTOR responsible for installing the telemetry system, no routine maintenance is necessary.

3.06 Control Maintenance

MCSI will monitor and inspect the controls. Per KBL, the control and PLC systems do not need routine maintenance. Any repair should be performed by KBL.

3.08 Grounds Keeping

A local youth camp has volunteered to perform grounds keeping maintenance for free. However, we have included an estimated cost for such maintenance in the event maintenance needs to be performed and the youth camp is unavailable. MCSI will utilize the volunteer option as much as possible.

Section S8.1 Insurance Requirements

Cost for insurance and performance bond requirements detailed in section S8.1 and S15.0 is included in item 1.01 Administration of O&M Services.

1. Basic Services (Biddable)

MCSI shall for the monthly fee of \$4050.00 provide the following services detailed in Exhibit D Sections 1 (Administrative/Customer Service) and Section 2 (Operations) Services will include and are limited to:

Item#

- 1.01 Administration of O&M Services
- 1.02 Meter Reading
- 1.03 Billing Administration
- 1.04 Handling routine calls/service questions
- 1.05 After-hours response (4 hours) to customer calls
- 1.07 Regulatory Compliance

2. Operations

- 2.01 Daily operations/adjustments
- 2.02 Monthly Reports
- 2.03 Annual analysis/reporting
- 2.04 Manage maintenance records
- 2.05 Staff training
- 2.06 Equipment inspection (see facilities list)
- 2.07 Water quality sampling/testing (residual, corrosion. MCL's, aesthetics (see section 5)

By: Michael R. Derr, Contracts/Purchasing Officer

- 2.11 Accompany County Staff on site visit
- 2.13 Order chemicals/lubricants/supplies

3. (Preventative) Maintenance

- 3.01 Valve Exercising
- 3.03 EG set/fire pump testing
- 3.04 Fleet Maintenance

All other items not listed above will be conducted on an as requested basis and charged in addition to the monthly fee of \$4050.00

These items include:

Section 3, items 3.02 through 3.08 and section 4, items 4.01 through 4.03 including all items titled (As needed) O&M

Items 3.07, 3.08 4.01, 4.02 and 4.03 and "system flush" have been estimated and a cost listed under "Annual Total Cost" If requested by BCSD San Jerardo/County, MCSI will conduct those activities not to exceed the cost listed and in addition to the monthly fee of \$4050.00.

All other items where no cost is assigned will be estimated at time of request for performance of that item and charged in addition to the monthly fee of \$4050.00.

Per item # 2.07

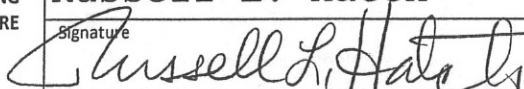
MCSI will provide sample collection and delivery, chain of custody form submittal, result analysis and reporting included in the monthly fee. All lab costs will be paid for by MCSI and charged to BCSD San Jerardo/County at cost with no mark-up in addition to the monthly fee of \$4,050.00.

Per item # 2.13

MCSI will order and pay for all necessary materials, supplies, repair parts, chemicals, lubricants and fuels for the EG set and fire pump. All costs for any such items will be billed to BCSD San Jerardo/County in addition to the monthly fee of \$4,050.00 at cost with no mark-up.

COUNTY OF MONTEREY - VENDOR DATA RECORD (Rev. 3-2012)

Required when doing business with the County of Monterey - No IRS W-9 form needed (Foreign vendors should submit IRS W-8)

1	COUNTY OF MONTEREY Contracts/Purchasing 168 W. Alisal Street 3 rd Floor Salinas, CA 93901 Email: mcvss@co.monterey.ca.us Phone: (831) 755-4990 Fax: (831) 755-4969	PURPOSE: Information contained in this form will be used by the County of Monterey to prepare information returns (Form 1099) and for withholding on payments to nonresident vendors. Prompt return of this fully completed form will prevent delays when processing payments. See Privacy Statement and California Non-Resident Withholding Information on next page.	
2	VENDOR'S LEGAL NAME (as shown on your income tax return) Management & Construction Services Inc.	SELECT NAME TO BE MADE PAYABLE TO <input type="checkbox"/> Legal Name <input checked="" type="checkbox"/> Alias/DBA <input type="checkbox"/> Both	
NAME AND ADDRESS	BUSINESS NAME / DBA (if different from line 1) MCSI Water Systems Management	PHONE NUMBER (831) 659-5360	FAX NUMBER (831) 659-3166
	MAILING ADDRESS 11552 Hidden Hills Rd.	E-MAIL ADDRESS h2oman97@aol.com	
	ADDITIONAL MAILING ADDRESS	REMIT-TO ADDRESS 11552 Hidden Hills Rd.	
	CITY, STATE, ZIP CODE Carmel Valley, CA 93924	REMIT-TO CITY, STATE, ZIP CODE Carmel Valley, CA 93924	
	FEDERAL EMPLOYER IDENTIFICATION NUMBER (EIN): 7 7 - 0 2 0 2 2 0 6		
3	TAX ID AND BUSINESS ENTITY TYPE <input checked="" type="checkbox"/> C CORPORATION <input type="checkbox"/> S CORPORATION <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> EXEMPT PAYEE (e.g., government, non-profit) <input type="checkbox"/> OTHER: ▶	<input type="checkbox"/> TRUST/ESTATE <input type="checkbox"/> LIMITED LIABILITY COMPANY (LLC) <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership	SOCIAL SECURITY NUMBER (SSN): [][] - [][] - [][][][] <input type="checkbox"/> INDIVIDUAL OR SOLE PROPRIETOR
4	PLEASE CHECK ALL BOXES THAT ARE APPLICABLE TO THE CATEGORY OF PAYMENT: <input checked="" type="checkbox"/> SUPPLIES/EQUIPMENT <input type="checkbox"/> ATTORNEY SERVICES <input type="checkbox"/> INTEREST <input type="checkbox"/> SERVICES (MEDICAL) <input type="checkbox"/> LEGAL SETTLEMENT <input type="checkbox"/> GRANTS <input checked="" type="checkbox"/> SERVICES (NON-MEDICAL) <input type="checkbox"/> RENT/LEASE <input checked="" type="checkbox"/> OTHER: ▶ Lab Charges		
PAYMENT TYPE & ACTIVITY	Are you a former employee of the County of Monterey? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Are you a Certified Green Business? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (See Information regarding green certification on next page)		
5	CALIFORNIA STATE WITHHOLDING STATUS (CA withholding information on next page): <input checked="" type="checkbox"/> California Resident <input type="checkbox"/> California Form 590 (Withholding Exemption Certificate) attached <input type="checkbox"/> California Non-Resident <input type="checkbox"/> Waiver of State withholding from California Franchise Tax Board attached <input type="checkbox"/> California Form 590 (Withholding Exemption Certificate) attached <input type="checkbox"/> All services for payments issued are performed OUTSIDE of California <input type="checkbox"/> No Services are being rendered, only goods are being provided for payment	CA Form 590 required if your address above in section 2 is a non-CA address CA NON-RESIDENTS: 7% will be withheld from payment unless one of the lower four boxes on left is checked.	
6	I hereby certify under penalty of perjury that the information provided on this document is true and correct. Should my residency status change, I will promptly notify the County of Monterey.		
CERTIFYING SIGNATURE	Authorized Representative's Name (Type or Print) Russell L. Hatch	Title CFO	Date 02/05/2013
	Signature 	Phone Number (831) 659-5360	

COUNTY OF MONTEREY – VENDOR DATA RECORD (Rev 3-2012)

Section 1 **Requirement to Complete Vendor Data Record**
 A completed Vendor Data Record (VDR) is required for payments to all vendors and will be kept on file at the County. Please return the fully completed VDR form and any other necessary documents for vendor setups/updates to the County of Monterey – Contracts/Purchasing at the address listed in this section. (For more information on Vendor Registration Process, visit <http://www.co.monterey.ca.us/admin/vendorinfo.htm>)

Section 2
 Enter the payee’s legal business name **as shown on your income tax return**. Individuals/Sole proprietorships must also include the owner’s full name **as shown on your income tax return**.
 The mailing address should be the address at which the payee chooses to receive correspondence. Do not enter payment address or lock box information here. The remit-to address should be the address the payee chooses to receive payments. If there are multiple remit-to addresses for the same payee, please list them and send it together with the completed Vendor Data Record (VDR) form.

Check **ONE** box that corresponds to the payee entity type. (For more information on account types and TIN info, visit www.IRS.gov)

What Name and Number to Give the Requester

For this type of Account		Give name and SSN of:
1	Individual	The individual
2	Two or more individuals (joint account)	The actual owner of the account or if combined funds, the first individual on the account
3	Custodian account of a minor	The minor
4	a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee The actual owner
5	Sole proprietorship or disregarded entity owned by an individual	The owner
6	Grantor trust filing under Optional Form 1099 filing Method	The grantor
For this type of Account		Give name and EIN of:
7	Disregarded entity not owned by an individual	The owner
8	A valid trust, estate, or pension trust	Legal entity
9	Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10	Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11	Partnership or multi-member LLC	The partnership
12	A broker or registered nominee	The broker or nominee
13	Account with the Dept of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14	Grantor trust filing under the Form 1041 filing Method or the Optional Form 1099 filing Method 2	The trust

Section 4
 Check **ALL** boxes that are applicable to the category of payment.
 Indicate if you are a former employee of the County of Monterey.
 Green Business Certification within the Tri-County area (Monterey, Santa Cruz and San Benito Counties) is administered through the Monterey Bay Area Green Business Program (www.montereybaygreenbusiness.org). Vendors from outside the Tri-County area are encouraged to seek similar certification from a local authority within their jurisdiction, and if a similar green business type of certification has been issued, vendors should check the “Yes” box. Green Business Certification may be used as one of the selection factors when awarding contracts from solicitations issued by the County of Monterey, therefore vendors should inform the County of this certification.

ARE YOU A CALIFORNIA RESIDENT OR NONRESIDENT?
 A **corporation** will be defined as a CA Resident if it has a permanent place of business in California or is qualified through the Secretary of State to conduct business in California.
 A **partnership** is considered a resident partnership if it has a permanent place of business in California. An estate is a resident if the decedent was a California resident at the time of death. A trust is considered a resident if at least one trustee is a California resident.

Section 5
 For **individuals and sole proprietors**, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose which will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a non resident.
 Payments to all non-resident vendors may be subject to withholding. Nonresident payees performing services in California or receiving rent, lease or royalty payments from property (real or personal) located in California will have 7% of their total payments withheld for State income taxes.
Due to resource limitations, the County of Monterey will withhold 7% of their total payments even when the following conditions apply:
 1) The total payments to the vendor are \$1,500 or less for the calendar year; and
 2) The vendor is providing a combination of goods and services; and
 3) The vendor is performing services for the County of Monterey both inside and outside of California.
 If a reduced rate of withholding or waiver has been authorized by the Franchise Tax Board, attach a copy to this form and submit to the County of Monterey.
 For information on Nonresident withholding, contact the Franchise Tax Board at the numbers listed below:
 Withholding Services and Compliance Section: 1-888-792-4900 or Outside the United States: 1-916-845-4900
 For hearing impaired with TDD, call: 1-800-822-6268 or E-mail Address: wscs.gen@ftb.ca.gov or visit FTB’s Website: www.ftb.ca.gov

Section 6 Provide the name, title, signature and telephone number of the beneficial owner of the payment requested or authorized agent of beneficial owner. Provide the date the form was completed.

Privacy Statement
 Section 7(b) of the Privacy Act of 1974 (Public Law 93-579) requires that any federal, state or local governmental agency, which requests an individual to disclose their social security account number, shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it.
 The County of Monterey requires that all parties entering into business transactions that may lead to payment(s) from the County must provide their Taxpayer Identification Number (TIN) as required by Revenue and Taxation Code Section 18646, to facilitate tax compliance enforcement activities and preparation of Form 1099 and other information returns as required by Internal Revenue Code Section 6109(a).
 It is mandatory to furnish the information requested. Federal law requires that payment for which the requested information is not provided is subject to federal backup withholding and state law imposes noncompliance penalties up to \$20,000.
 You have the right to access records containing your personal information, such as your SSN. To exercise that right, please contact County of Monterey, Contracts/Purchasing at the address listed in Section 1 of this form.