

Board of Directors

Myron Heavin, President
Steve Dietrich, Vice President
Karina Naughton, Director
Bruce Nix, Director
Jim Mac Kenzie, Director



1550 East Burton Mesa Blvd, Lompoc
California, 93436-2100
805.733.4366
www.mhcsd.org

Jerry Gruber, General Manager

**Mission Hills Community Services District
Board of Directors Regular Meeting
Wednesday, August 18, 2021
4:30 PM**

1550 East Burton Mesa Blvd, Lompoc, CA - District Board Room

Agenda

To access the meeting via Zoom:

URL to sign in for video access

<https://zoom.us/j/9467006985?pwd=TnBqZGJXbWhCNUdJNXhMZGU3alhDZz09>

Meeting ID: 946 700 6985

Dial in: 1 669 900 9128

- 1. Call to Order and Pledge of Allegiance**
- 2. Roll Call**
- 3. Public comment on matters not on the Agenda** – Members of the public, for up to 3 minutes, may address the Board on any item within the jurisdiction of the Board, not included in this agenda (Government Code Section 54954.3). **If you are unable to attend, you can submit comments in advance of the meeting to admin@mhcsd.org before 1:00 PM, Tuesday, August 17, 2021.**
- 4. Special Presentation** - none
- 5. Consent Items** - Staff recommends Directors approve the Consent Items in one motion. Members of the public may comment on a consent item (3-minute maximum per speaker). Directors may pull a consent item for discussion or separate vote.
 - A. Activity Reports for July**
 - i) Administrative-Includes General Manager, Administrative Services Manager, Administrative Assistant/Board Secretary, Customer Service Reports
 - ii) Water & Wastewater Reports
 - iii) Wastewater Quarterly Sampling Summary Report
 - B. Financial Reports**
 - i) Profit and Loss
 - ii) Disbursements Journal
 - iii) Variation from Projected Income
 - iv) Bank Account Summary
 - v) Budget to Actual

6. Regular Business

- A. Goals and Committee Updates
- B. Discussion and Consideration of Approval of Consultant Services Agreements for Sanitary Sewer Management Plan Update and for Engineering Services for Rehabilitation of Water Tanks
- C. Discussion and Consideration of a Consultant Services Agreement with Phoenix Civil Engineering for Preparation of Technical Specifications for Pipeline Cleaning and Closed Circuit Television Inspections

7. Communications - Board of Directors may ask a question for clarification, make an announcement, or report briefly on recent activities or conferences. Also, Directors may provide a reference to staff or other resources for information, direct staff to place a topic or report on a future committee or regular meeting agenda.

- A. General Manager Report
- B. Director's Comments
- C. Public Comments (up to 3 minutes for topics within the District's jurisdiction)

ADJOURN

Regular Board Meetings are held on the third Wednesday of each month beginning at 4:30 PM

Copies of the staff reports or written materials provided for Mission Hills CSD for Open Session agenda items may be obtained upon request and are also available at the Customer Service Counter of the District Office for public inspection and reproduction during regular business hours. Closed Session items are not available for public review.

In compliance with the Americans with Disabilities Act

If you need special assistance to participate in this meeting or if you need the agenda or other documents in the agenda packet provided in an alternative format, contact Board Secretary at 805.733.4366 at least 48 hours before the meeting to ensure that reasonable arrangements can be made. (Agenda Prepared under Government Code Section 54954.2)



Administrative Activity Reports

General Managers Report for August 18, 2021, Mission Hills Community Services District Board of Directors Regular Meeting.

My focus since our last Board Meeting has been the Time Scheduled Order - TSO and the District infrastructure. As part of your August Board packet, I will be asking the Board to approve 3 professional services agreements. The first is from ATS regarding the preparation of bid documents and specifications for repairs to our two reservoirs. The second is a proposal from Jon Turner of Phoenix Engineering to prepare bid documents and specifications for cleaning and videotaping the district's sewer lines. The third proposal is from the Wallace Group for updating the Districts Sanitary Sewer Maintenance Plan. I have asked for a quote from the Wallace Group regarding the drafting of a comprehensive chloride sampling and monitoring plan as outlined within our TSO. I have also asked Jon Turner of Phoenix Engineering to prepare a proposal for bid documents and construction oversight for improvements to the Burton Mesa Lift station. These upgrades would include replacing the existing electrical panel in the dry well and moving it above ground and installing a portable diesel operated stand by generator and transfer switch in case of a power outage. In addition to the other tasks identified I have requested from FRM a quote on determining the number of solids in pond number 3. This is identified within the districts TSO. FRM will be working on a valve assessment to determine the extent of what valves need to be replaced on the ponds and to provide the district with an accurate quote for the replacement of those valves. Their assessment is a time and material agreement. This is part of the Districts TSO. In September as part of the Board Packet I will be bringing forward for approval quotes for upgrading the Districts Water SCADA system. All these projects are important to the district and will strengthen the districts system reliability. The influent flow meter has been calibrated and continues to function accurately.

I Continue to work closely with Carol on several Administrative items. These include but are not limited to the Board Packets and associated staff reports, public records request, overall evaluation of the district's finances and how those resources are invested, review of the draft audit for 2020, mandatory training requirements for both the Board and employees, increased interaction with District Council to ensure that the district is abiding by the requirements of the Brown act, personnel matters and optimizing our Spring Brook Billing software. Lupe will be attending District Clerk training soon and is being offered through the CSDA.

I Continue to work closely with the Santa Ynez River Water Conservation District -Western Management Area on the Sustainable Groundwater Management Plan. I continue to review documents sent by the Santa Ynez River Water Conservation District. As we approach the final product it is important that both Myron and I stay engaged and make sure that the final plan represents the best interest of the district.

Staff in a coordinated effort is now reading customers meters in the field on the 28th of the month. Staff is also totalizing both wastewater influent flows and well production flows on the 28th of the month. Our goal is to bring all three totals in closer proximity of each other.

The wastewater treatment plant has installed a new influent flow meter. The influent flow meter has been calibrated by two independent sources FRM and Rustco Corporation. Rusto is a factory certified representative and has determined that the installation and calibration for the influent flow meter is done correctly. Current flow readings are consistent with flow readings of 3 years ago for the wastewater treatment plant.



Administrative Activity Reports

We have installed two new flow meters on wells #5 and #7 and have installed 3 new waste flow meters on wells #5 #6 and #7. We are in the process of ordering and installing a new flow meter for the water treatment plant.

The Mission Hills Board of Directors has asked the staff established a protocol for meter reading uniformity. The figures below represent all the district's meters being read on the 28th of the month. Staff reports are consistent with these readings.

Wastewater flows from 6/28/2021-7/28/2021=7,337,564 gallons- New influent flow meter was installed July 9th Auger was removed in influent channel July 16th accurate flows were recorded starting July 17th.

Water distributed: 6/28/2021-7/28/2021=16,418,782 gallons

Units billed from 6/28/2021-7/28/2021=17,325,924 Gallons.

I sent an email to the board regarding unaccounted for water.

Respectfully Submitted:

Jerome D. Gruber MPA

General Manager

Mission Hills Community Services District



July 2021
Administrative Activity Reports

Administrative Services Manager

- Assisted Customers with Payments, Completed Springbrook Entries, Created Bank Deposits
- Prepared Board Packet Financial Reports
- Prepared Board Packet Staff Reports
- Processed Accounts Payable
- Processed Payroll
- Completed End of Month Procedures
- Participated in Webinars through Leibert, Cassidy & Whitmore
- Continued Training of Administrative Assistant/Board Secretary
- Worked with IT to Assure Updated Emails & Compliance
- Updated Bank on Signers on Accounts
- Completed Credit Card Process with Coast Hills
- Completed and Filed 2nd Quarter Payroll Tax Forms
- Completed and Filed 2nd Quarter Workers Compensation Report

SPRINGBROOK PAST DUE REPORT AS OF 7/31/21

# Days Past Due	\$ Amount Past Due	# Accounts
Current	\$1,543.06	10
30	\$34,222.91	239
60	\$9,833.98	59
90	\$284.70	15
120	\$27,383.98	85
Credit Totals	(\$7,833.50)	
Totals	\$64,435.13	408



Administrative Activity Reports
July 2021

Administrative Assistant

- Created, combined, and finalized board packet
- Assisted Customers with payments and completed Springbrook entries
- Corresponded to emails
- Posted SGMA (Sustainable Ground Water Management Act) Newsletter on website.
- Continued adding employee reimbursement amounts over \$100 on annual spreadsheet.
- Created 5 Western Management Criteria spiral bound packets for the Board Members.
- Delivered Board Packets
- Created Agenda for Special Meeting on July 14th.

Customer Service

- **Monthly:** New Customer Move Ins & Move outs- # 13 July
- 348 Customers Enrolled in Auto Pay
- Active Current Residential Past Due (Report is ran before the billing cycle)
- \$ 55,457 This reflects # 170 Accounts. The 10% late fee is being waived at this time.
- \$ 24,431 July Bills Bal Forward
- \$ 5,253 60-90 Days
- \$ 3,370 90-120 Days
- \$ 22,403 Over 120 Days (18 Accounts) Would be subject to Lock-off status

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General Manager; Jerome Gruber

**MISSION HILLS COMMUNITY SERVICES DISTRICT
 Water Report – July 2021**

Water Distributed: 16,418,782 gallons (June 28 - July 28)

Compliance:

- Annual Lead and Copper Rule samples collected and sent to lab.

Reservoirs:

- Rerouted conduit line for solar panel to allow full access to hatch.

Treatment:

- Installed production meters for wells 5 and 7.
- Installed waste meters for all wells.
- Purchased Chemical pump with higher GPD output to keep up with Cl2 demand.

Distribution System Maintenance/Repair

- Replaced 18 Hersey meters to Kamstrup meters.
- Main/Service leak: 1 service leaks.
- Received proposal for lowering and raising the manholes and valve cans for repaving Rucker Rd. and Manley Dr.

Recurring Tasks

Reservoirs

- **Daily:**
 - Electronically monitor levels via SCADA System
- **Weekly:**
 - Electronically check CL2 levels
 - Reorganize shop and tool inventory
- **Quarterly:**
 - Clean and inspect the solar panel for backup battery (Jan, Apr, Jul, Oct)
 - Weed abatement.

Treatment Plant

- **Daily:**
 - Electronically record bulk storage tank levels
 - Determine daily filtration chemical rate.
 - Record water produced from Wells #5,6, & 7
- **Weekly:**
 - Clean chlorine injection lines
 - Take and record Iron and Manganese treatment samples.
- **Monthly:** Complete State Water Resource Control Board (SWRCB) reports
- **Quarterly:** Remove weeds around shop and filtration plant (Feb, May, Aug, Nov)

Distribution System

- **Weekly:**
 - Collect and report weekly chlorine, phosphate, and PH results.
 - Sample “Bac-T” (coliform detection) every Wednesday
- **Monthly:**
 - Take distribution samples for State Water Board reports as needed.
 - End of month Residential and Commercial Meter Reads
 - Install new Kamstrup meters under Capital Improvement Project
 - Test and Inspect field equipment.
- **Quarterly:**
 - Mainline valve exercising (Jan, Apr, Jul, Oct)
 - Complete dead-end flushing (Feb, May, Aug, Nov)
 - Hydrant flushing (Mar, Jun, Sep, Dec)

Safety

- Attend Weekly Safety Meetings
- Inspect Fire Extinguishers at water treatment plant, shop, and vehicles.
- Perform Daily Visual Inspection at Water Treatment Plant and Park

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MISSION HILLS COMMUNITY SERVICES DISTRICT
Wastewater Report – July 2021

Wastewater Influent Total Flow
6/28/2021-7/28/2021: 8,649,780
Gallons

Collection System/Lift Station

- 1) 07/07- Lift station pump train #1 was taken out of service due to no flow from the pumps. Surface Pumps Inc. (SPI) was called in to troubleshoot and repair the issue. The bearing housing/impeller assembly on each pump was replaced with a rebuilt assembly that we had in stock. The impeller of pump #1 had come off and was found lying in the bottom of the volute. A quote to rebuild the two-bearing housing/impeller assemblies that were taken out of service was received from SPI. Currently waiting for a quote from Fluid Resource Management (FRM) for the same work.
- 2) 07/29- Jon Turner, PE, from Phoenix Engineering toured the lift station with Jerry and Dale. He will submit a bid for upgrading/replacing the lift station.
- 3) The CPO obtained a list of contractors that are affiliated with National Association of Sewer Service Companies (NASSCO). NASSCO is a trade association that sets industry standards for the assessment, maintenance, and rehabilitation of underground infrastructure. The intention is to receive bids from a contractor that is affiliated with NASSCO on any future maintenance/repair/refurbishment projects on the WW collection system.

There were no sewer system overflows.

Wastewater Treatment Plant

- 1) Temporary flowmeters are in place in the WW collection system. Daily total flow readings from the temporary flowmeters were compared with the readings from the installed flowmeter (the one in the vault East of the headworks).
The temporary influent flowmeters were removed by FRM on 08/03.
- 2) A new flowmeter was installed by FRM at the headworks on 07/09. Daily flow total readings from the new flowmeter were compared with the readings from the temporary flowmeters. There was a significant difference. The indicated flow from the new flowmeter was higher than the indicated flow from the temporary flowmeters. The Auger Monster was removed from the WW influent channel at the headworks on 07/16. The indicated daily influent flow totals from the new flowmeter immediately decreased. The presence of the Auger Monster in the WW influent channel downstream from the Parshall flume caused inaccurate readings of the influent flow.
- 3) A factory authorized technician from Rust Automation & Controls inspected and verified the installation of the new WW influent flowmeter on 07/28. The technician wrote a report that assessed the installation of the new flow meter as being correct. By having that assessment done, the warranty on the flow meter device was extended by 2 years.
- 4) Monthly WW influent flow totals were measured by the temporary flow meters from 07/01-07/16. From 07/17-07/31, the influent flow totals were measured by the new installed flow meter at the headworks.
- 5) Time Schedule Order (TSO) Semi Annual Report was written and submitted to the Regional Water Quality Control Board (RWQCB) on 07/31 by the CPO. The status report updated the Water Board on the progress that has been made on tasks #9 & 10 of the TSO.
- 6) There were no violations of the Waste Discharge Requirements Permit.

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Karina Naughton- Finance Operator
Bruce Nix- Director
Jim Mac Kenzie- Director



Consent Items 5 A. iii

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Jerry Gruber General Manager

Wastewater-Rolling Median limits and Calculations

Second Quarter Sampling Summary 2021

Effluent Limits

Parameter	Units	Mean	Max
BOD	mg/L	80	120
Suspended Solids (TSS)	mg/L	80	120
Settleable Solids	mL/L	0.3	0.5
Total Nitrogen (as N)	mg/L	10 (May - Sept)	20 (May - Sept)
		15 (Oct - Apr)	30 (Oct - Apr)
Total Dissolved Solids	mg/L	990*	1,250
Sodium	mg/L	200*	250
Chloride	mg/L	250	300
pH	SU	Between 6.5 - 8.4	

**25-Month Rolling
Median limit.*

25-Month Rolling Median Calculations

Effluent TDS (mg/L)	855
Effluent Sodium (mg/L)	180
Effluent Chloride (mg/L)	250
Monitoring Well Boron (mg/L)	<0.10
Monitoring Well Chloride (mg/L)	91.5
Monitoring Well Sodium (mg/L)	52
Monitoring Well Sulfate (mg/L)	35.5
Monitoring Well TDS (mg/L)	360
Monitoring Well Total Nitrogen (mg/L)	1.7

Mission Hills Community Services District
Profit & Loss Prev Year Comparison
July 2021

	A	B	C	D	E	F	G	H	J	L
1										
2								Jul 21	Jul 20	\$ Change
3	Ordinary Income/Expense									
4						Income				
5						4005 · 48 hour notice fees	30.00	30.00	0.00	
6						4025 · Construction hydrant meter	50.00	250.00	-200.00	
7						4050 · Miscellaneous income	0.00	5,152.21	-5,152.21	
8						4075 · Returned check fees	100.00	50.00	50.00	
9						4085 · Sewer basic charges	83,470.52	81,884.16	1,586.36	
10						4095 · Street sweeping charges	1,508.76	1,515.36	-6.60	
11						4105 · Water basic charges	59,857.23	58,621.05	1,236.18	
12						4115 · Water usage charges	62,142.60	58,949.52	3,193.08	
13						Total Income	207,159.11	206,452.30	706.81	
14						Gross Profit	207,159.11	206,452.30	706.81	
15						Expense				
16						6000 · Salaries and wages				
17						6005 · Wage expense	51,183.79	43,453.86	7,729.93	
18						6010 · Payroll tax expense	4,181.99	3,681.33	500.66	
19						Total 6000 · Salaries and wages	55,365.78	47,135.19	8,230.59	
20						6050 · Employee benefits				
21						6060 · Disability insurance	577.66	226.60	351.06	
22						6065 · Health insurance	9,288.22	24,355.06	-15,066.84	
23						6075 · Retirement expenses	1,218.43	1,383.18	-164.75	
24						6085 · Workers compensation expe	2,952.55	0.00	2,952.55	
25						6090 · Vacation & Sick Leave	2,405.50	2,652.58	-247.08	
26						6095 · Benefit Administration	778.48	603.82	174.66	
27						Total 6050 · Employee benefits	17,220.84	29,221.24	-12,000.40	
28						6100 · Director fees	500.00	2,125.00	-1,625.00	
29						6110 · Depreciation expense	31,054.00	31,054.00	0.00	
30						6140 · Vehicle expenses				
31						6145 · Tractor and equipment	0.00	804.91	-804.91	
32						6150 · Vehicle fuel	0.00	668.39	-668.39	
33						6155 · Vehicle maintenance	0.00	855.46	-855.46	
34						6160 · Automobile Allowance	700.00	0.00	700.00	
35						Total 6140 · Vehicle expenses	700.00	2,328.76	-1,628.76	
36						6170 · Insurance expense				
37						6180 · Liability insurance	1,522.00	2,058.75	-536.75	
38						6185 · Property insurance	7,954.57	6,766.07	1,188.50	
39						Total 6170 · Insurance expense	9,476.57	8,824.82	651.75	
40						6190 · Dues and memberships	5,557.26	212.72	5,344.54	
41						6200 · Office expenses				
42						6205 · Bank fees and charges	0.00	10.00	-10.00	
43						6210 · Cash (over) / short	170.17	0.00	170.17	
44						6215 · Cleaning supplies	0.00	146.66	-146.66	
45						6220 · Licenses and fees	95.00	95.00	0.00	
46						6225 · Miscellaneous expenses	0.00	635.48	-635.48	
47						6230 · Office supplies	349.39	545.36	-195.97	
48						6235 · Postage expense	611.03	2,778.37	-2,167.34	
49						6245 · Office Equipment	169.17	169.17	0.00	
50						Total 6200 · Office expenses	1,394.76	4,380.04	-2,985.28	
51						6300 · Operating supplies and expenses				
52						6310 · Miscellaneous supplies	113.95	77.97	35.98	
53						6325 · Portable equipment	1,238.83	270.01	968.82	
54						6330 · Shop supplies	1,940.93	384.04	1,556.89	
55						6335 · Small tools and appliances	526.96	392.16	134.80	
56						6340 · Chemicals				
57						6342 · Bioremediation	2,096.59	2,082.72	13.87	

Mission Hills Community Services District
Profit & Loss Prev Year Comparison
July 2021

	A	B	C	D	E	F	G	H	J	L
1										
2								Jul 21	Jul 20	\$ Change
58							6344 · Chlorine	1,248.40	1,472.79	-224.39
59							Total 6340 · Chemicals	3,344.99	3,555.51	-210.52
60							Total 6300 · Operating supplies and ex	7,165.66	4,679.69	2,485.97
61							6350 · Safety expenses			
62							6360 · Protective Clothing/Uniforms	322.92	519.45	-196.53
63							6365 · Safety equipment	0.00	58.70	-58.70
64							6375 · Other safety expenses	0.00	458.58	-458.58
65							Total 6350 · Safety expenses	322.92	1,036.73	-713.81
66							6410 · Contractual services			
67							6420 · Cleaning service	236.00	200.00	36.00
68							6425 · Office equip maintenance	365.20	112.66	252.54
69							6430 · Internet access	159.73	159.73	0.00
70							6435 · Landscaping services	187.55	242.53	-54.98
71							6437 · Pest Control	100.00	50.00	50.00
72							6445 · Security expense	112.50	112.50	0.00
73							6450 · Software support	2,120.00	1,060.00	1,060.00
74							6452 · Credit Card Processing	0.00	266.65	-266.65
75							6453 · Software Subscriptions	0.00	152.74	-152.74
76							6455 · Street sweeping services	1,286.00	1,286.00	0.00
77							6460 · Uniforms	804.16	663.73	140.43
78							6466 · Emissions Testing	4,178.77	0.00	4,178.77
79							6470 · Other contractual services	6,758.52	854.96	5,903.56
80							Total 6410 · Contractual services	16,308.43	5,161.50	11,146.93
81							6475 · Professional services			
82							6476 · Financial Management Fees	2,207.00	2,761.00	-554.00
83							6490 · Legal services	0.00	150.58	-150.58
84							6495 · Human Resources services	0.00	410.00	-410.00
85							Total 6475 · Professional services	2,207.00	3,321.58	-1,114.58
86							6505 · Equipment lease and rentals	969.13	560.75	408.38
87							6525 · Research and monitoring			
88							6535 · Monitoring expense	1,705.25	2,227.00	-521.75
89							Total 6525 · Research and monitoring	1,705.25	2,227.00	-521.75
90							6600 · Travel and meetings			
91							6610 · Meals	0.00	35.11	-35.11
92							Total 6600 · Travel and meetings	0.00	35.11	-35.11
93							6650 · Utilities			
94							6655 · Cell phones	236.26	188.18	48.08
95							6665 · Electrical	16,170.74	11,449.38	4,721.36
96							6670 · Natural gas	2,677.73	1,949.05	728.68
97							6685 · Telephone	350.88	339.21	11.67
98							6691 · Trash & Recycling	0.00	91.59	-91.59
99							Total 6650 · Utilities	19,435.61	14,017.41	5,418.20
100							6700 · Government fees and charges	1,559.00	1,342.00	217.00
101							6720 · Repairs and maintenance			
102							6730 · Distribution expense	0.00	6,895.20	-6,895.20
103							6745 · Lift station expenses	0.00	9,292.05	-9,292.05
104							6750 · Collection expense	0.00	65.71	-65.71
105							6760 · Shop and equip repairs	0.00	196.03	-196.03
106							6765 · Supplies and small tools	384.59	0.00	384.59
107							6775 · Filtration Plant	0.00	2,727.64	-2,727.64
108							6785 · Wells and pumping	295.73	455.40	-159.67
109							6790 · Waste water plant	140.25	333.42	-193.17
110							6795 · Other repairs and mainten	1,300.00	142.55	1,157.45
111							Total 6720 · Repairs and maintenance	2,120.57	20,108.00	-17,987.43
112							Total Expense	173,062.78	177,771.54	-4,708.76

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Profit & Loss Prev Year Comparison
July 2021

	A	B	C	D	E	F	G	H	J	L
1										
2								Jul 21	Jul 20	\$ Change
113							Net Ordinary Income	34,096.33	28,680.76	5,415.57
114							Other Income/Expense			
115							Other Income			
116							7006 · Market Appreciation/(Depr)	-226.08	-3,552.55	3,326.47
117							7010 · Interest income	1,333.85	2,437.94	-1,104.09
118							7025 · Connection fees, net	117,600.00	0.00	117,600.00
119							7030 · Capacity Charges	0.00	46,916.00	-46,916.00
120							7035 · Water Conservation	0.00	1,240.00	-1,240.00
121							Total Other Income	118,707.77	47,041.39	71,666.38
122							Net Other Income	118,707.77	47,041.39	71,666.38
123							Net Income	152,804.10	75,722.15	77,081.95

Mission Hills Community Services District
Profit & Loss Prev Year Comparison
July 2021

	A	B	C	D	E	F	G	M
1								
2								Explanation
3							Ordinary Income/Expense	
4							Income	
5							4005 · 48 hour notice fees	
6							4025 · Construction hydrant meter	
7							4050 · Miscellaneous income	Scrap Metal 2020
8							4075 · Returned check fees	
9							4085 · Sewer basic charges	Increase in Usage
10							4095 · Street sweeping charges	
11							4105 · Water basic charges	New Development
12							4115 · Water usage charges	New Development
13							Total Income	
14							Gross Profit	
15							Expense	
16							6000 · Salaries and wages	
17							6005 · Wage expense	More Employees
18							6010 · Payroll tax expense	More Employees
19							Total 6000 · Salaries and wages	
20							6050 · Employee benefits	
21							6060 · Disability insurance	
22							6065 · Health insurance	More Spouses Covered 2020
23							6075 · Retirement expenses	
24							6085 · Workers compensation expense	Quarterly WC Report
25							6090 · Vacation & Sick Leave	
26							6095 · Benefit Administration	
27							Total 6050 · Employee benefits	
28							6100 · Director fees	Less Meetings 2021
29							6110 · Depreciation expense	
30							6140 · Vehicle expenses	
31							6145 · Tractor and equipment	
32							6150 · Vehicle fuel	
33							6155 · Vehicle maintenance	
34							6160 · Automobile Allowance	
35							Total 6140 · Vehicle expenses	
36							6170 · Insurance expense	
37							6180 · Liability insurance	
38							6185 · Property insurance	
39							Total 6170 · Insurance expense	
40							6190 · Dues and memberships	More Memberships LCW
41							6200 · Office expenses	
42							6205 · Bank fees and charges	
43							6210 · Cash (over) / short	
44							6215 · Cleaning supplies	
45							6220 · Licenses and fees	
46							6225 · Miscellaneous expenses	
47							6230 · Office supplies	
48							6235 · Postage expense	
49							6245 · Office Equipment	
50							Total 6200 · Office expenses	
51							6300 · Operating supplies and expense	
52							6310 · Miscellaneous supplies	
53							6325 · Portable equipment	
54							6330 · Shop supplies	
55							6335 · Small tools and appliances	
56							6340 · Chemicals	
57							6342 · Bioremediation	

Mission Hills Community Services District
Profit & Loss Prev Year Comparison
July 2021

	A	B	C	D	E	F	G	M
1								
2								Explanation
58							6344 · Chlorine	
59							Total 6340 · Chemicals	
60							Total 6300 · Operating supplies and ex	
61							6350 · Safety expenses	
62							6360 · Protective Clothing/Uniforms	
63							6365 · Safety equipment	
64							6375 · Other safety expenses	
65							Total 6350 · Safety expenses	
66							6410 · Contractual services	
67							6420 · Cleaning service	
68							6425 · Office equip maintenance	
69							6430 · Internet access	
70							6435 · Landscaping services	
71							6437 · Pest Control	
72							6445 · Security expense	
73							6450 · Software support	
74							6452 · Credit Card Processing	
75							6453 · Software Subscriptions	
76							6455 · Street sweeping services	
77							6460 · Uniforms	
78							6466 · Emissions Testing	Emission Testing 2021
79							6470 · Other contractual services	Sunbelt, Surface Pumps, FRM
80							Total 6410 · Contractual services	
81							6475 · Professional services	
82							6476 · Financial Management Fees	
83							6490 · Legal services	
84							6495 · Human Resources services	
85							Total 6475 · Professional services	
86							6505 · Equipment lease and rentals	
87							6525 · Research and monitoring	
88							6535 · Monitoring expense	
89							Total 6525 · Research and monitoring	
90							6600 · Travel and meetings	
91							6610 · Meals	
92							Total 6600 · Travel and meetings	
93							6650 · Utilities	
94							6655 · Cell phones	
95							6665 · Electrical	
96							6670 · Natural gas	
97							6685 · Telephone	
98							6691 · Trash & Recycling	
99							Total 6650 · Utilities	
100							6700 · Government fees and charges	
101							6720 · Repairs and maintenance	
102							6730 · Distribution expense	
103							6745 · Lift station expenses	
104							6750 · Collection expense	
105							6760 · Shop and equip repairs	
106							6765 · Supplies and small tools	
107							6775 · Filtration Plant	
108							6785 · Wells and pumping	
109							6790 · Waste water plant	
110							6795 · Other repairs and mainten	Calle Neto Leak
111							Total 6720 · Repairs and maintenance	
112							Total Expense	

Mission Hills Community Services District
Profit & Loss Prev Year Comparison
 July 2021

	A	B	C	D	E	F	G	M
1								
2								Explanation
113							Net Ordinary Income	
114							Other Income/Expense	
115							Other Income	
116							7006 · Market Appreciation/(Depr)	
117							7010 · Interest income	
118							7025 · Connection fees, net	
119							7030 · Capacity Charges	
120							7035 · Water Conservation	
121							Total Other Income	
122							Net Other Income	
123							Net Income	

Mission Hills Community Services District
Disbursements Journal
July 2021

A	B	C	D	G	I	K	M	N
1				Date	Num	Name	Amount	Explanation
2	1060 - CHCU - General 4163							
3				07/01/2021	EFT	Tierzero	-111.95	
4				07/07/2021	31943	American Industrial Supply	-91.62	
5				07/07/2021	31944	Brenntag Pacific, Inc	-1,225.11	
6				07/07/2021	31945	Carmel & Naccasha LLP	-1,891.33	
7				07/07/2021	31946	Comcast	-159.73	
8				07/07/2021	31947	Compuvision	-1,628.75	Includes Ticket Items
9				07/07/2021	31948	Coverall North America, Inc.	-236.00	
10				07/07/2021	31949	De Lage Landen Financial Servi	-169.17	
11				07/07/2021	31950	Auto & Phone Allowance	-750.00	
12				07/07/2021	31951	Reimbursement	-200.00	
13				07/07/2021	31952	Home Depot	-1,255.33	
14				07/07/2021	31953	Hopkins Technical Products Inc.	-160.46	
15				07/07/2021	31954	Inklings Printing Company	-803.91	
16				07/07/2021	31955	Jon's Lawn Mowing	-217.10	
17				07/07/2021	31956	KLE Custom Imaging	-804.16	
18				07/07/2021	31957	Liebert Cassidy Whitmore	-156.00	
19				07/07/2021	31958	Mission Paving Inc	-1,300.00	Leak
20				07/07/2021	31959	Oilfield Environmental & Complia	-1,174.00	
21				07/07/2021	31960	Reimbursement Void	0.00	
22				07/07/2021	31961	PG&E	-4,728.32	
23				07/07/2021	31962	Praxair Distribution Inc	-39.63	
24				07/07/2021	31963	SoCalGas	-35.68	
25				07/07/2021	31964	SP Maintenance Services, Inc.	-1,286.00	
26				07/07/2021	31965	Staples	-52.80	
27				07/07/2021	31966	Staples Business Credit	-583.28	
28				07/07/2021	31967	Ultrex Inc	-253.49	
29				07/07/2021	31968	Underground Service Alert of SC	-14.85	
30				07/07/2021	31969	USA BlueBook	-1,695.69	
31				07/07/2021	31970	Valley Rock Landscape Supply	-232.36	
32				07/07/2021	31971	Wallace Group	-445.50	
33				07/07/2021	31972	Waste Management	-198.03	
34				07/15/2021	31973	ACWA Joint Powers Insurance A	-7,954.57	Property Ins Renewal
35				07/15/2021	31974	ACWA/JPIA *Medical Insurance	-9,193.82	
36				07/15/2021	31975	American Industrial Supply	-442.99	
37				07/15/2021	31976	Frontier Communications	-94.01	
38				07/15/2021	31977	Reimbursement	-71.90	
39				07/15/2021	31978	Hensley Law Group	-19,754.75	
40				07/15/2021	31979	Hopkins Technical Products Inc.	-62.89	
41				07/15/2021	31980	JB Dewar Inc	-216.05	
42				07/15/2021	31981	Refund	-6.33	
43				07/15/2021	31982	Mission Paving Inc	-1,300.00	
44				07/15/2021	31983	Oilfield Environmental & Complia	-204.00	
45				07/15/2021	31984	Reimbursement	-179.87	
46				07/15/2021	31985	Santa Maria Famcon Pipe Suppl	-1,766.10	
47				07/15/2021	31986	Santa Ynez River Water Conser	-1,559.00	USGS FY 2021
48				07/15/2021	31987	Smith Alarms & Electronics, Inc.	-112.50	
49				07/15/2021	31988	State Water Resources Control	-95.00	
50				07/15/2021	31989	Refund	-11.61	
51				07/15/2021	31990	USA BlueBook	-118.46	
52				07/15/2021	31991	USPS - Bulk Mail	-6,840.00	Annual Bulk Mail Check
53				07/15/2021	31992	Verizon	-185.31	
54				07/19/2021	EFT	Verizon	-185.31	
55				07/22/2021	EFT	SoCalGas	-2,640.06	
56				07/23/2021	EFT	PG&E	-381.99	
57				07/23/2021	EFT	PG&E	-1,632.49	
58				07/23/2021	EFT	PG&E	-5,697.33	
59				07/23/2021	EFT	PG&E	-3,270.05	
60				07/23/2021	EFT	PG&E	-57.03	
61				07/23/2021	EFT	PG&E	-658.59	
62				07/23/2021	EFT	PG&E	-9.87	
63				07/26/2021	31993	AirX Testing Services	-4,178.77	Well #6 - Biannual Source Test
64				07/26/2021	31994	American Industrial Supply	-544.40	
65				07/26/2021	31995	Bremer Auto Parts	-452.26	
66				07/26/2021	31996	Carr's Boots	-162.03	

Mission Hills Community Services District
Disbursements Journal
July 2021

1	A	B	C	D	G	I	K	M	N	
					Date	Num	Name	Amount	Explanation	
67					07/26/2021	31997	Compuvision	-1,060.00		
68					07/26/2021	31998	Environmental Techniques	-2,096.59		
69					07/26/2021	31999	Fluid Resource Management	-4,230.94	CPO Duties	
70					07/26/2021	32000	Frontier Communications	-144.92		
71					07/26/2021	32001	O'Connor Pest Control	-100.00		
72					07/26/2021	32002	Oilfield Environmental & Compliance	-106.00		
73					07/26/2021	32003	Reimbursement	-41.03		
74					07/26/2021	32004	Santa Maria Famcon Pipe Supply	-1,077.13		
75					07/26/2021	32005	Standard Insurance Company	-258.66		
76					07/26/2021	32006	Sunbelt Rentals Inc	-717.23		
77					07/26/2021	32007	Surface Pumps Inc	-1,964.05		
78					07/26/2021	32008	Uline	-64.82		
79					07/26/2021	32009	USA BlueBook	-372.76		
80					07/26/2021	32010	ACWA Joint Powers Insurance Agency	-2,952.55	WC Quarterly Report	
81					07/27/2021	32011	Santa Ynez River Water Conservation	-5,261.98		
82					07/28/2021	EFT	TASC	-89.32		
83	Total 1060 - CHCU - General 4163								-112,477.57	
84	1070 - CHCU - Payroll 4155									
85					07/07/2021		Payroll	-18,496.33		
86					07/07/2021	1318	Matrix Trust Company	-3,628.98		
87					07/07/2021	1319	Matrix Trust Company	-4,023.04		
88					07/09/2021	E-pay	EDD	-1,295.30		
89					07/09/2021	E-pay	IRS USATAXPYMT	-4,660.06		
90					07/09/2021	EFT	CA State Disbursement Unit/Exp	-299.07		
91					07/21/2021		Payroll	-19,155.72		
92					07/21/2021		Payroll	-415.75		
93					07/26/2021	E-pay	EDD	-1,479.65		
94					07/26/2021	E-pay	IRS USATAXPYMT	-5,138.16		
95					07/26/2021	EFT	CA State Disbursement Unit/Exp	-299.07		
96					07/26/2021	1320	Matrix Trust Company	-4,255.14		
97					07/27/2021	EFT	AFLAC	-66.82		
98	Total 1070 - CHCU - Payroll 4155								-63,213.09	
99	TOTAL								-175,690.66	

	A	B	C	D	E	F	G	H	I	J	K
1	Variation From Projected Income										
2	Fiscal Year Ending 6-30-2022										
3											
4		Water			Wastewater						
5	Billing Month	Projected Income*	Actual Income	Variation	Projected Income	Actual Income	Variation	Total (Loss) / Gain	Current Year Units Sold	Last Year Units Sold	Previous 5 Year Average Units Sold
6	Jul-21	\$ 125,150	\$ 122,000	\$ (3,150)	\$ 84,454	\$ 83,471	\$ (983)	\$ (4,133)	25,273	23,904	22,147
7	Aug-21	\$ 115,783	\$ -	\$ -	\$ 84,454	\$ -	\$ -	\$ -	-	23,897	19,082
8	Sep-21	\$ 115,717	\$ -	\$ -	\$ 84,454	\$ -	\$ -	\$ -	-	20,974	19,061
9	Oct-21	\$ 111,980	\$ -	\$ -	\$ 84,454	\$ -	\$ -	\$ -	-	27,170	17,838
10	Nov-21	\$ 110,414	\$ -	\$ -	\$ 84,454	\$ -	\$ -	\$ -	-	21,595	17,326
11	Dec-21	\$ 98,333	\$ -	\$ -	\$ 84,454	\$ -	\$ -	\$ -	-	15,049	13,373
12	Jan-22	\$ 87,733	\$ -	\$ -	\$ 84,454	\$ -	\$ -	\$ -	-	16,328	9,905
13	Feb-22	\$ 91,924	\$ -	\$ -	\$ 84,454	\$ -	\$ -	\$ -	-	16,413	11,276
14	Mar-22	\$ 86,284	\$ -	\$ -	\$ 84,454	\$ -	\$ -	\$ -	-	11,832	9,431
15	Apr-22	\$ 88,114	\$ -	\$ -	\$ 84,454	\$ -	\$ -	\$ -	-	17,348	10,029
16	May-22	\$ 100,149	\$ -	\$ -	\$ 84,454	\$ -	\$ -	\$ -	-	18,352	13,967
17	Jun-22	\$ 109,006	\$ -	\$ -	\$ 84,454	\$ -	\$ -	\$ -	-	19,957	16,865
18											
19	Total	\$ 1,240,587	\$ 122,000	\$ (3,150)	\$ 1,013,445	\$ 83,471	\$ (983)	\$ (4,133)	25,273	232,819	180,300
21									Year to Date Monthly Averages		
22	YTD avg	100%	10%		100%	8%			2,106	19,402	15,025
23									Yearly Average	19,402	15,025
24											
25	* Projected Income is calculated by using current year and previous 5 year average monthly units sold.										
26											
27	Units Sold by Calendar Year (1 Unit = 1 HCF = 748 Gallons)										

	A	Y	Z	AA								
1	Bank Account Summary											
2												
3		7/31/2021										
31												
32	LAIF	\$1,734,303										
33												
34	TD Ameritrade/RNC Genter	\$1,759,675										
35												
36	Coast Hills FCU											
37	Checking	\$465,324										
38	Development	\$261,295										
39	Investment Checking	\$202										
40	Savings	\$0										
41	Payroll	\$49,974										
42	ACH (Sweep Account)	\$1,000										
43	Total Coast Hill FCU	\$777,794										
44												
45	Combined Balance	\$4,271,773										
46												
47												
48												
49												
50												
51												
52	INVESTMENT STRATEGY	<p>Current Percentage</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>LAIF</td> <td>43%</td> </tr> <tr> <td>TD Ameritrade/RNC Genter</td> <td>44%</td> </tr> <tr> <td>Total Coast Hill FCU Less Development</td> <td>13%</td> </tr> </tbody> </table> <p>Legend: ■ LAIF ■ TD Ameritrade/RNC Genter ■ Total Coast Hill FCU Less Development</p>			Category	Percentage	LAIF	43%	TD Ameritrade/RNC Genter	44%	Total Coast Hill FCU Less Development	13%
Category	Percentage											
LAIF	43%											
TD Ameritrade/RNC Genter	44%											
Total Coast Hill FCU Less Development	13%											
53	Along with resuming active management, the Finance Committee and Staff recommend a											
54	balanced distribution of monies as stated below											
55	between TD Ameritrade, LAIF and Coast Hills Credit											
56	Union. This distribution will allow the District to											
57	maximize yields on investments, while meeting											
58	operating and capital cash needs											
59												
60	Recommended Investment Strategy:											
61	01. Coast Hills CU: \$300,000 (2 months FYE20											
62	budgeted operating expense, less depreciation, not											
63	Goal of about 10%											
64	02. TD Ameritrade: 50% of balance of unrestricted											
65	cash											
66	Goal of about 45%											
67	03. LAIF: 50% of the balance of unrestricted cash											
68	Goal of about 45%											
69												
70												

Mission Hills Community Services District							1
Budget to Actual Comparison							0.08
JUL 21 - JUL 21							11
	Budgeted	Prorated Budget	Actual		Remainder	% of Budget	Explanation
	Fiscal Year 21-22	JUL 21 -JUL 21	JUL 21 -JUL 21	Difference	Budgeted Amount	8%	
Income							
Late Fees/Charges	\$ 35,000	\$ 2,917	\$ 180	\$ (2,737)	\$ 34,820	1%	No Late Fees Charged
Water Service	\$ 1,240,587	\$ 103,382	\$ 122,000	\$ 18,618	\$ 1,118,587	10%	Base & Usage Higher Than Budgeted
Sewer Service	\$ 1,013,445	\$ 84,454	\$ 83,471	\$ (983)	\$ 929,974	8%	Base Slightly Lower Than Budgeted
Street Sweeping	\$ 18,707	\$ 1,559	\$ 1,509	\$ (50)	\$ 17,198	8%	On Track With Budget
	\$ 2,307,739	\$ 192,312	\$ 207,159	\$ 14,848	\$ 2,100,580	9%	Revenue is 1% Below Budget
Expense							
Salaries & Wages	\$ 715,469	\$ 59,622	\$ 55,366	\$ 4,257	\$ 660,103	8%	On Track with Budget
Employee Benefits	\$ 254,310	\$ 21,193	\$ 17,221	\$ 3,972	\$ 237,089	7%	Slightly Lower Than Budgeted
Director Fees	\$ 23,000	\$ 1,917	\$ 500	\$ 1,417	\$ 22,500	2%	Less Meetings Than Budgeted
Depreciation	\$ 372,648	\$ 31,054	\$ 31,054	\$ -	\$ 341,594	8%	Depreciation On Track With Budget
Election Expense	\$ -	\$ -	\$ -	\$ -	\$ -	0%	No Election Expense
Vehicle Expense	\$ 26,000	\$ 2,167	\$ 700	\$ 1,467	\$ 25,300	3%	Lower Maintenance Expense Than Budgeted
Insurance	\$ 36,000	\$ 3,000	\$ 9,477	\$ (6,477)	\$ 26,523	26%	Includes Timing of Property Ins & WC Qtrly Audit
Memberships	\$ 20,000	\$ 1,667	\$ 5,557	\$ (3,891)	\$ 14,443	28%	Timing of Memberships, Additional Memberships LCW
Office Expenses	\$ 23,000	\$ 1,917	\$ 1,395	\$ 522	\$ 21,605	6%	Slightly Lower Expenses Than Budgeted, Supplies New Employees
Operating Supplies	\$ 21,869	\$ 1,822	\$ 3,821	\$ (1,998)	\$ 18,048	17%	Higher Operating Supplies Ordered Than Budgeted, New Employees, Stocking Shop
Chemicals	\$ 78,000	\$ 6,500	\$ 3,345	\$ 3,155	\$ 74,655	4%	Lower Chemical Use Than Budgeted
Safety	\$ 7,500	\$ 625	\$ -	\$ 625	\$ 7,500	0%	No Safety Expense
Contractual Services	\$ 78,000	\$ 6,500	\$ 16,308	\$ (9,808)	\$ 61,692	21%	Sunbelt, Surface Pumps, FRM Including Interim CPO Fees, Compuvision
Professional Services	\$ 150,000	\$ 12,500	\$ 2,207	\$ 10,293	\$ 147,793	1%	Financial Management Fees
Printing & Publication	\$ 6,300	\$ 525	\$ -	\$ 525	\$ 6,300	0%	No Printing Expense
Equipment Lease	\$ 13,500	\$ 1,125	\$ 969	\$ 156	\$ 12,531	7%	Lease of Scrubber & Bill Sorter
Monitoring	\$ 32,000	\$ 2,667	\$ 1,705	\$ 961	\$ 30,295	5%	Less Monitoring Needed Than Budgeted
Travel/Meetings/Meals	\$ 20,000	\$ 1,667	\$ -	\$ 1,667	\$ 20,000	0%	No Travel Expenses
Utilities	\$ 170,000	\$ 14,167	\$ 19,436	\$ (5,269)	\$ 150,564	11%	Slightly Higher Utility Bills Than Budgeted
Government Fees	\$ 82,635	\$ 6,886	\$ 1,559	\$ 5,327	\$ 81,076	2%	Less Government Fees Than Budgeted
Repairs & Maintenance	\$ 175,000	\$ 14,583	\$ 2,121	\$ 12,463	\$ 172,879	1%	Less Repair Breaks Than Budgeted
Miscellaneous Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	0%	No Uncollectables or Write Offs
	\$ 2,305,231	\$ 192,103	\$ 172,740	\$ 19,362	\$ 2,132,491	7%	Expenses Are 1% Below Budget
Resolution 15-229 - Budget Preparation and Approval Process							
C.3. - Whenever a budgeted expense line item has circumstances where a projected expense exceeds a 5% variance of the total budget, the GM will be required to seek a super majority approval from the BoD before the expense is finalized, when possible.							
				5% =	\$ 115,261.55		



MISSION HILLS COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors
FROM: Jerry Gruber, General Manager
DATE: August 18, 2021
SUBJECT: Goals & Committee Updates

Recommendation / Proposed Motion

Recommendation: Receive Update Goals Report, Committee Update Spreadsheet and provide direction to staff as needed.

Policy Reference

Directors expressed an interest in receiving these brief monthly updates.

Budget Resources

As outlined in the Capital Improvement Plan and District Goals.

Alternatives Considered

None

Discussion

This memorandum is a summary of the Top 5 Goals and Committee meetings that took place after the last Board meeting and is intended to provide a status report to the Board members and the public

Attachments:

1. 2021 Committee Assignments
2. Top 5 Goals Update
3. Committee Meeting Summary Update

2021 Officers / Directors

President: Myron Heavin
Vice President: Steve Dietrich
Finance Officer: Karina Naughton
Director: Bruce Nix
Director: Jim Mac Kenzie

2021 Committee Assignments

Standing Committees	Committee Members	Alternate
Operations		
1) Water (Reservoir, Wells, Treatment, Distribution)	Dietrich, Mac Kenzie	Nix
2) Wastewater (WDR, Aerators)	Mac Kenzie, Heavin	Naughton
3) Energy (Generators and Solar)	Heavin, Naughton	Nix
Personnel	Naughton, Nix	Heavin
Finance	Naughton, Nix	Dietrich
Ad-Hoc Committee	Committee Members	Alternate
4) Development Agreements	Dietrich, Heavin	Mac Kenzie
Representatives / Point of Contact	Committee Members	Alternate
5) VAFB IR Programs	Dietrich	Mac Kenzie
6) ACWA/JPIA	Board President	General Manager
7) Santa Ynez River Water Conservation District - Western Management Area Committee for Groundwater Sustainability	Heavin	Bruce

Top 5 Goals

Established by Board of Directors on September 16, 2020

1. Wastewater N2 and NaCl reduction plan and results to meet WDR requirements (not TSO but final WDR), including sewer cleaning and inspection.

Brief Summary:

- 8 of 16 tasks from the Time Scheduled Order (TSO). The next task is: Collect Samples and Identify Chloride Sources before October 31, 2021. Samples for identifying chloride sources will commence on August 1st, 2021. Regional Water Quality Control Board visited the wastewater treatment plant on July 15th, 2021, and sampling plan and protocol was discussed.
- Sewer Cleaning and Inspection is part of this fiscal year capital improvement project and is a continuation of last year's capital projects. Phoneix Engineering- Jon Turner has evaluated the districts video and cleaning logs which are comprised of 30% of the districts collections system. Phoneix Engineering will be preparing specification documents and bid documents for the next phase of video and cleaning

2. Lawsuit defense against the City of Lompoc

Brief Summary:

- The Board will receive an update on this item in closed session at the July 21st, 2021 Board meeting.

3. Water pressure surge control – Design/Build of the surge tank near the water treatment plant.

Brief Summary:

- Surge tank is in full service and operational.

4. Cost Reduction – Energy usage (solar) and other applicable initiatives

- Staff recommends meeting with the Energy Committee to discuss the feasibility of implementing solar for the existing infrastructure. Staff and Committee need to evaluate the capital cost and payback period to determine if it is cost effective to proceed.

5. Public Outreach – Implement regular information to the community.

Brief Summary: - Staff has made significant efforts on improving information posted on the website to include agendas, board packets, Consumer Confidence Report and the newsletter from the Santa Ynez River Water Conservation District. Staff has opened the office and is interacting with the public more frequently, thus resulting in more public outreach and information of the community.

Committee	Completed Meeting Date	Summary of Discussion	Future Meeting Date	Topics for Discussion
Wastewater	11/30/2020	Review and discuss current Wastewater Treatment Plant Status and Forward Acktion Plans	TBD	TBD
		Director Fasold lead a discussion regarding action items and follow ups that included: Discussions with RWQCB regarding reporting effluent point of compliance, Development of WWTP Standard Operating Procedures, Upgrades to Mesa Oaks Lift Station, Installing a liner in Rucker Point #8, Compliance with the Time Schedule Order Tasks and Dates, Implementing any recommendations at the WWTP Ponds from Steve Harris's October 2, 2020 Memo and Critical spare parts on hand at the Lift Station		
Finance	3/26/2021	Discuss and review the preliminary budget along with CIP preliminary budget	TBD	Development Account Placement, Credit Cards for District
Water	3/26/2021	Discussed the installation of the Surge Tank	TBD	TBD
Energy	11/24/2020	Scheduling 2 vendors to meet and discuss solar	TBD	TBD
Personnel	5/17/2021	Discussed Continued Employment General Manager	TBD	TBD
Development Agreement	4/7/2021	City of Lompoc Summary Discussion	TBD	Closed Session
Western Management Area Committee for Groundwater Sustainability	4/14/2021	Update provided by General Manager	TBD	Various Topics



MISSION HILLS COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Mission Hills Community Services District Board of Directors

FROM: Jerry Gruber, General Manager

DATE: August 18, 2021.

SUBJECT: Discussion and Consideration of Approval of Consultant Services Agreements for Sanitary Sewer Management Plan Update and for Engineering Services for Rehabilitation of Water Tanks

Recommendation:

Staff recommends that the Board of Directors discuss and consider approvals of Consultant Services Agreements with Wallace Group for the Sanitary Sewer Management Plan Update in an amount not to exceed \$17,776, and with Advantage Technical Services, Inc. for Engineering Services for Rehabilitation of Water Tanks in an amount not to exceed \$56,627.

Fiscal Impact:

The District's FY 2021/2022 Budget has available funding in the amount of \$17,776.00, which will come from the Wastewater Department's cleaning and video taping of sewer lines budget. The District's FY 2021/2022 Budget has available funding in the amount of \$56,627.00, which will come from the Water Department's tank rehabilitation budget.

Discussion:

Staff has secured proposals from qualified consultants for two projects. The first is the update of the District's Sanitary Sewer Management Plan. As explained in the attached proposal from the Wallace Group, The State Water Resources Control Board requires all agencies to develop and update their Sanitary Sewer Management Plans. The Wallace Group's Proposal is to do this work for an amount not to exceed \$17,776.

This last May, staff had an evaluation conducted of the District's East and West Water Tanks (see attached Dive Inspection Reports). The consultant, Advantage Technical Services, Inc., has now prepared a proposal for the engineering work needed to prepare bid documents for the rehabilitation of the District's 800,000 gallon water tanks. As noted in their proposal, recent inspections revealed that coatings have failed in some areas and corrosion is damaging the structures. Other findings include deficiencies relating to health and safety regulations and various conditions that justify action. The cost of the engineering work for the water tank rehabilitation project is an amount not to exceed \$56,627.

District Counsel has prepared Consultant Services Agreements for these two projects. Staff recommends that the Board of Directors approved entering into the Consultant Services

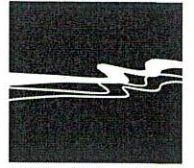
Agreements with Wallace Group for the Sanitary Sewer Management Plan Update in an amount not to exceed \$17,776, and with Advantage Technical Services, Inc. for Engineering Services for Rehabilitation of Water Tanks in an amount not to exceed \$56,627.

Attachments:

- 1) July 6, 2021 Proposal (sanitary Sewer Management plan Update) - Wallace Group
- 2) Agreement Consultant Services (sanitary Sewer Management plan) – Wallace Group
- 3) Proposal from Advantage Technical Services incorporated for Engineering Services rehabilitation of mission hills CSD's water storage tanks.

- 4) Agreement consulting services rehabilitation of water tanks-Advantage Technical services
- 5) Dive Inspection Report for Mission Hills Community Services District's **East** Water Tank May 17th, 2021.
- 6) Dive Inspection Report for Mission Hills Community Services District's **West** Water Tank May 18th, 2021.

TRANSMITTAL



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ENGINEERING

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LANDSCAPE
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PLANNING

PUBLIC WORKS
ADMINISTRATION

SURVEYING /
GIS SOLUTIONS

WATER RESOURCES

Date: July 6, 2021

Project Number: PP21-7311-0915

To: Jerry Gruber
Mission Hills CSD
1550 Burton Mesa Blvd
Mission Hills, California 93436

VIA Email

Phone: 805 733-4366 ext 201
Fax:
Email: jg@mhcsd.org

From: Bill Callahan
Senior Environmental Compliance
Specialist
WALLACE GROUP
612 Clarion Court
San Luis Obispo, CA 93401

Phone: 805 544-4011
Fax: 805 544-4294
Email: billc@wallacegroup.us

Subject: Proposal for Mission Hills CSD SSMP Update

Please find attached our proposal for the above referenced project. If this proposal meets with your approval, please sign where indicated and return to our office, **to the attention of Kylie Castle (kyliec@wallacegroup.us), Marketing Coordinator**, which will serve as our notice-to-proceed on your project.

Please call me if you have any questions at 805 544-4011.

Thank you.

ATTACHMENT
PP21-7311
Exhibit A
Exhibit B

WALLACE GROUP
A California Corporation

612 CLARION CT
SAN LUIS OBISPO
CALIFORNIA 93401

T 805 544-4011
F 805 544-4294

www.wallacegroup.us

July 6, 2021

Jerry Gruber
District Manager
Mission Hills CSD
1550 Burton Mesa Blvd
Mission Hills, California 93436

Subject: Sanitary Sewer Management Plan Updates

Dear Mr. Gruber:

Wallace Group appreciates the opportunity to provide you with our proposal for Public Works Administration services for the above referenced project. Based on our discussion, the following revised Scope of Services has been prepared for your consideration:

PROJECT UNDERSTANDING

The State Water Resources Control Board (SWRCB) established Statewide General Wastewater Discharge Requirements (GWDR) for Sanitary Sewer Systems, Orders No. 2006-0003-DWQ and revised Monitoring and Reporting Program WQ 2013-0058-EXEC, which required all public entities that own or operate sanitary sewer systems greater than one mile in length in California to create, implement, and maintain a SSMP. WDR Order No. 2006-0003-DWQ requires all agencies to develop and update their SSMP as described below:

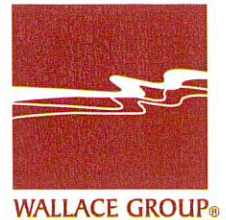
WDR Order No. 2006-0003-DWQ:

To facilitate proper funding and management of sanitary sewer systems, each Enrollee must develop and implement a system-specific Sewer System Management Plan (SSMP). To be effective, SSMPs must include provisions to provide proper and efficient management, operation, and maintenance of sanitary sewer systems, while taking into consideration risk management and cost benefit analysis. Additionally, an SSMP must contain a spill response plan that establishes standard procedures for immediate response to an SSO in a manner designed to minimize water quality impacts and potential nuisance conditions.

WDR Order No. 2006-0003-DWQ, Section D.14:

The SSMP must be updated every five (5) years, and must include any significant program changes. Re-certification by the governing board of the Enrollee is required in accordance with D.14 when significant updates to the SSMP are made. To complete the re-certification process, the Enrollee shall enter the data in the Online SSO Database and mail the form to the State Water Board, as described above.

The Mission Hills Community Services District (District) SSMP was developed by the District in 2010 and updated in 2020. The District conducted its first SSMP Audit in 2021. The audit recommends significant revisions and updates to the District's SSMP for compliance with the above referenced regulatory requirements. Based on our discussion, we have prepared a Scope of Services for your consideration:



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ENGINEERING

CONSTRUCTION
MANAGEMENT

LANDSCAPE
ARCHITECTURE

MECHANICAL
ENGINEERING

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PUBLIC WORKS
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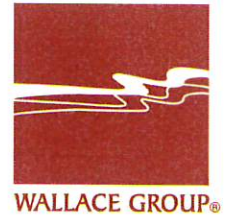
WATER RESOURCES

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SCOPE OF SERVICES

Task 1: Project Management

This task includes coordination of project activities, kickoff meeting, including scheduling and budget controls, Client coordination, quality control and other related project management activities.

Task 2: SSMP Update

Wallace Group will develop and update each of the eleven (11) elements of the District SSMP Revision 1, dated 2020.

The 2006 GWDR set a time schedule in Section D.15 which required the District to initially develop and implement an SSMP based on population size. Enrollees with populations between 2,500 and 10,000, such as Mission Hills CSD with a population of approximately 3,842, were required to complete the original SSMP by May 2, 2010.

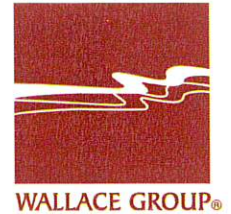
The 2006 GWDR also required that each enrollee update its SSMP every five (5) years, as shown below:

“The SSMP must be updated every five (5) years and must include any significant program changes. Re-certification by the governing board of the Enrollee is required in accordance with D.14 when significant updates to the SSMP are made.”

The current City SSMP is incomplete and requires significant development and update for compliance with the SSSWDRs. The scope of the update will follow the 2006 SSSGWDR & 2013 MRP requirements, and the recommendations identified in the 2021 Audit. Wallace Group Staff will work collaboratively with City staff to develop and update the existing SSMP and to obtain any additional materials and documentation necessary for this update. The table below summarizes the scope of the recommended update.

Table 1- City of Hollister SSMP Summary of Recommended Updates

SSMP Requirement 2006 GWDR Section D.13	Wallace Group Recommended Updates
i. Goal	Develop Goals that are specific to the City’s collection and conveyance system. These goals will be assessed and measures in Element 9: Monitoring Measurement and Program Modifications
ii. Organization	Develop an organization chart and SSO Chain of Communication for compliance with 2013 MRP requirements.
iii. Legal Authority	Develop this section to identify and summarize how each portion of this element is addressed by the District’s Ordinances and Standards. Incorporate these documents into appendices.
iv. Operation and Maintenance Program	Develop this section to reflect current practices and planned activities. Include updated Capital Improvement Plan (CIP) schedule. Include status of projects in CIP. Develop a plan and schedule for additional areas identified in the Audit as deficient. Develop supporting documents, line cleaning and manhole logs, manhole inspection report template, lift station log.



v.	Design and Performance Provisions	Develop this section to summarize how each portion of this element is addressed by the District's Design Standards and Testing Requirements. Incorporate these documents into appendices.
vi.	Overflow Emergency Response Plan (OERP)	Develop OERP for compliance with 2013 MRP requirements. Develop a plan and schedule for the development and implementation of Emergency Operating Procedures (EOPs) and additional areas found to be deficient in the 2021 Audit.
vii.	Fats, Oils and Grease (FOG) Control Program	Develop a plan and schedule for the development of a limited FOG Control Program (the District experiences Fats, Oils and Grease in the collection system however has only a few commercial facilities) - this effort would be limited to the development of residential/commercial outreach materials. Include a discussion of FOG related High Maintenance Areas (HMAs), and a general overview of the planned program.
viii.	System Evaluation and Capacity Assurance Plan	Integrate the findings of District Sewer Studies into this Element of the SSMP and how they meet each subsection of this element. Develop a plan and schedule for capacity related CIP and sources of funding.
ix.	Monitoring, Measurement, and Program Modifications	Develop a program/matrix to schedule, track, and evaluate SSO trends, the effectiveness of Preventative Maintenance, and the effectiveness of each Element of the SSMP annually.
x.	SSMP Program Audits	Develop SSMP Audit schedule and identify Audit format.
xi.	Communication Program	Develop a plan and schedule to communicate SSMP revisions, implementation, and accomplishments with the public. Includes and annual reporting template.

Wallace Group will reformat the updated SSMP in sequential order to match each Element of the WDRs.

Deliverables:

The City SSMP Revision 1, dated 2020 will be updated in accordance with the requirements of the 2006 GWDR, Section D.13(x) and 2013 MRP. An electronic PDF of the updated SSMP and Appendices will be delivered to the District.

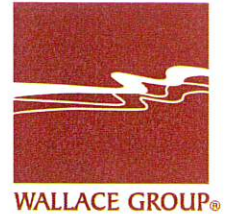
TO BE PROVIDED BY THE CLIENT

- Word version of existing 2020 SSMP. Additional items to be determined; collection system reports, records, maps and exhibits necessary to update SSMP.

Task 3 - Development of Emergency Operating Procedures (EOPs)

The District is required by the SSSWDRs to develop EOPs related to the sewer collection system. The District has requested this be included as a task in this scope of work. Wallace Group will work with District Staff to develop Procedures to address the following areas:

- Emergency Operating Procedures (Required by SSSWDRs):
 1. Sanitary Sewer Overflow (SSO) Regulatory Notification, Documentation and Reporting Requirements
 2. SSO Traffic and Crowd Control
 3. SSO Volume Estimation



4. SSO Mitigation and Cleanup
5. Lift Station Emergency SSO Response
6. SSO Water Quality Monitoring
7. Customer Contact and Complaints

Deliverables:

Wallace Group will work with District staff to produce individual Procedures for each of the areas requested above. PDF of each procedure will be delivered electronically to the District.

ADDITIONAL SERVICES

The following services may also benefit your project. Wallace Group can provide these services, directly or through sub-consultants, however, they are not included in the current Scope of Services or estimate of fees:

- SSMP related training
- Sanitary Sewer Overflow (SSO) Spill Volume Estimation and Response Training
- Additional Meetings
- Ordinance and/or Municipal Code assistance
- Development of Operation and Maintenance Standard Operating Procedures
- Presentation to District Board of Directors

PROJECT FEES

The project fees are shown allocated by task to indicate our expected distribution of work. However, the task fee allocations are not individual contract limits.

Wallace Group will perform the services denoted in Tasks 1- 3 of the proposed Scope of Services on a time and materials basis for a cost not to exceed \$17,776. These services will be invoiced monthly on an accrued basis in accordance with the attached Schedule of Fees (Exhibit A). Reimbursables are included in the time and materials estimated fee amount stated above.

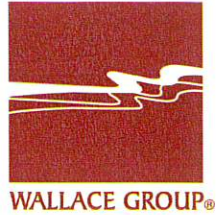
Table 2: Mission Hills CSD SSMP Project Fee Summary

Project Task	Fee
Task 1 - Project Management & Meeting	\$1,384
Task 2 - SSMP Development and Update	\$10,726
Task 3 - Emergency Operating Procedures and Management Procedures	\$5,536
Reimbursables	\$130
TOTAL	\$17,776

At your request, additional services to the Scope of Services will be performed by Wallace Group following the signature of our Contract Amendment or the initiation of a new contract.

TERMS AND CONDITIONS

In order to convey a clear understanding of the matters related to our mutual responsibilities regarding this proposal, the attached Standard Terms and Conditions (Exhibit B) are considered a part of our proposal agreement. If this proposal meets with your approval, please sign where indicated and return one original to our office, which will serve as our notice-to-proceed.



We want to thank you for this opportunity to present our proposal for engineering and regulatory compliance services. If you would like to discuss this proposal in greater detail, please feel free to contact me.

Sincerely,

WALLACE GROUP, a California Corporation **TERMS AND CONDITIONS ACCEPTED:**



Bill Callahan
Senior Environmental Compliance Specialist
612 Clarion Court
San Luis Obispo
California 93401
T 805 544-4011
F 805 544-4294
www.wallacegroup.us

Signature

Printed Name

Title

Date

Attachments
GGM: PP21-7311, 2021, std
Exhibit A
Exhibit B

THIS PROPOSAL IS VALID FOR 60 DAYS FROM THE DATE OF THIS DOCUMENT.

Exhibit A
Standard Billing Rates



Public Works Administration Services:

Project Analyst I - IV.....	\$112 - \$142
Senior Project Analyst I - III	\$147 - \$157
Senior Environmental Compliance Specialist I - III.....	\$163 - \$173

Support Services:

Office Assistant.....	\$ 94
Project Assistant I - III.....	\$ 97 - \$117

Additional Professional Services:

Fees for expert witness preparation, testimony, court appearances, or depositions will be billed at the rate of \$300 an hour. If required to meet schedule requests, overtime on a project will be billed at 1.5 times the employee's typical hourly rate.

Direct Expenses:

Direct expenses will be invoiced to the client and a handling charge of 15% may be added. Sample direct expenses include, but are not limited to the following:

- travel expenses
- sub-consultant services
- agency fees
- delivery/copy services
- mileage (per IRS rates)
- other direct expenses

Invoicing and Interest Charges:

Invoices are submitted monthly on an accrued cost basis. A finance charge of 1.5% per month may be assessed on all balances that are thirty days past due.

Right to Revisions:

Wallace Group reserves the right to revise our standard billing rates on an annual basis, personnel classifications may be added as necessary.

Exhibit B
Standard Terms and Conditions
Wallace Group Proposal No. PP21-7311
Contract Agreement Date: July 6, 2021

CLIENT: **MISSION HILLS CSD**
 1550 Burton Mesa Blvd, Mission Hills, California 93436

CONSULTANT: **WALLACE GROUP, A CALIFORNIA CORPORATION**
 612 Clarion Court, San Luis Obispo, California 93401

CLIENT and CONSULTANT agree that these Standard Terms and Conditions, comprised of pages 1 through 6, and the associated written Scope of Services and budget constitute the entire Agreement between the CLIENT and the CONSULTANT. It supersedes all prior communications, understandings and agreements, whether oral or written. Amendments to this Agreement must be in writing and signed by both the CLIENT and the CONSULTANT.

ARTICLE 1. GENERAL PROVISIONS

1.1 Preamble

This Agreement is based upon a mutual obligation of good faith and fair dealing between the parties in its performance and enforcement. Accordingly, the CLIENT and the CONSULTANT, with a positive commitment to honesty and integrity, agree to the following:

That each will function within the laws and statutes that apply to its duties and responsibilities; that each will assist in the other's performance; that each will avoid hindering the other's performance; that each will work diligently to fulfill its obligations; and each will cooperate in the common endeavor of the contract.

1.2 Governing Law and Jurisdiction

The CLIENT and the CONSULTANT agree that this Agreement and any legal actions concerning its validity, interpretation and performance shall be governed by the laws of the State of California. It is further agreed that any legal action between the CLIENT and the CONSULTANT arising out of this Agreement or the performance of the services shall be brought in a court of competent jurisdiction in San Luis Obispo, California.

1.3 Precedence of Conditions

Should any conflict exist between the terms herein and the form of any purchase order or confirmation issued, the Terms and Conditions herein shall prevail in the absence of CONSULTANT'S express written consent of others conditions.

1.4 Standard of Care

In providing services under this Agreement, the CONSULTANT will endeavor to perform said services in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances.

1.5 Corporate Protection

It is intended by the parties to this Agreement that the CONSULTANT'S services in connection with the Project shall not subject the CONSULTANT'S individual employees, officers or directors to any personal legal exposure for the risks associated with this Project. Therefore, and notwithstanding anything to the contrary contained herein, the CLIENT agrees that as the CLIENT'S sole and exclusive remedy, any claim, demand or suit shall be directed and/or asserted only against the CONSULTANT, a California corporation, and not against any of the CONSULTANT'S individual employees, officers or directors.

1.6 Confidentiality

The CONSULTANT agrees to keep confidential and not to disclose to any person or entity, other than the CONSULTANT'S employees, Subconsultants and the general Contractor and Subcontractors, if appropriate, any data or information not previously known to and generated by the CONSULTANT or furnished to the CONSULTANT and marked CONFIDENTIAL by the CLIENT. These provisions shall not apply to information in whatever form that is in the public domain, nor shall it restrict the CONSULTANT from giving notices required by law or complying with an order to provide information or data when such order is issued by a court, administrative agency or other legitimate authority, or if disclosure is reasonably necessary for the CONSULTANT to defend itself from any legal action or claim.

1.7 Third-Party Beneficiaries

Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the CLIENT or the CONSULTANT. The CONSULTANT'S services under this Agreement are being performed solely for the CLIENT'S benefit, and no other party or entity shall have any claim against the CONSULTANT because of this Agreement or the performance or nonperformance of services hereunder. The CLIENT and CONSULTANT agree to require a similar provision in all contracts with Contractors, Subcontractors, Subconsultants, vendors and other entities involved in this Project to carry out the intent of this provision.

1.8 Timeliness of Performance

The CLIENT and CONSULTANT are aware that many factors outside the CONSULTANT'S control may affect the CONSULTANT'S ability to complete the services to be provided under this Agreement. The CONSULTANT will perform these services with reasonable diligence and expediency consistent with sound professional practices.

1.9 Severability

Any term or provision of this Agreement found to be invalid under any applicable statute or rule of law shall be deemed omitted and the remainder of this Agreement shall remain in full force and effect.

1.10 Survival

Notwithstanding completion or termination of this Agreement for any reason, all rights, duties and obligations of the parties to this Agreement shall survive such completion or termination and remain in full force and effect until fulfilled.

1.11 Statutes of Repose and Limitation

All legal causes of action between the parties to this Agreement shall accrue and any applicable statutes of repose or limitation shall begin to run not later than the date of Substantial Completion. If the act or failure to act complained of occurs after the date of Substantial Completion, then the date of final completion shall be used, but in no event shall any statute of repose or limitation begin to run any later than the date the CONSULTANT'S services are completed or terminated.

1.12 Defects in Service

The CLIENT shall promptly report to the CONSULTANT any defects or suspected defects in the CONSULTANT'S services of which the CLIENT becomes aware, so that the CONSULTANT may take measures to minimize the consequences of such a defect. The CLIENT further agrees to impose a similar notification requirement on all Contractors in its CLIENT/Contractor contract and shall require all subcontracts at any level to contain a like requirement. Failure by the CLIENT and the CLIENT'S Contractors or Subcontractors to notify the CONSULTANT shall relieve the CONSULTANT of the costs or remedying the defects above the sum such remedy would have cost had prompt notification been given when such defects were first discovered.

1.13 Jobsite Safety

Neither the professional activities of the CONSULTANT, nor the presence of the CONSULTANT or its employees or Subconsultants at a construction/project site, shall relieve the General Contractor of its obligations, duties and responsibilities including, but not limited to, constructions means, methods, sequence, techniques or procedures necessary for performing, superintending and coordinating the Work in accordance with contract documents and any health or safety precautions required by any regulatory agencies. The CONSULTANT and its personnel have no authority to exercise any control over any construction Contractor or its employees in connection with their work or any health or safety programs or procedures. The CLIENT agrees that the General Contractor shall be solely responsible for jobsite safety, and warrants that this intent shall be carried out in the CLIENT'S contract with the General Contractor. The CLIENT also agrees that the CLIENT, the CONSULTANT and the CONSULTANT'S Subconsultants shall be indemnified by the General Contractor and shall be made additional insured under the General Contractor's policies of general liability insurance.

1.14 Assignment: Subcontracting

Neither CLIENT nor CONSULTANT shall assign its interest in this agreement without the written consent of the other. CONSULTANT may not subcontract any portion of the work to be performed hereunder without such consent.

1.15 Force Majeure

Any delay or default in the performance of any obligation of CONSULTANT under this agreement resulting from any cause(s) beyond CONSULTANT'S reasonable control shall not be deemed a breach of this agreement. The occurrence of any such event shall suspend the obligations of CONSULTANT as long as performance is delayed or prevented thereby, and the fees due hereunder shall be equitably adjusted.

1.16 Disputes

(a) Notwithstanding any other provision of this Agreement and except for the provisions of (b) and (c), if a dispute arises regarding CONSULTANT'S fees pursuant to this contract, and if the fee dispute cannot be settled by discussions between CLIENT and CONSULTANT, both the CLIENT and CONSULTANT agree to attempt to settle the fee dispute by mediation through the American Arbitration Association (or other mediation service) before recourse to arbitration. If mediation does not resolve the fee dispute, such dispute shall be settled by binding arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

(b) Subdivision (a) does not preclude or limit CONSULTANT'S right to elect to file an action for collection of fees if the amount in dispute is within the jurisdiction of the small claims court.

(c) Subdivision (a) does not preclude or limit CONSULTANT'S right to elect to perfect or enforce applicable mechanics lien remedies.

1.17 Attorneys' Fees

In the event of any litigation arising from or related to this Agreement or the services provided under this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all reasonable costs incurred, including staff time, court costs, attorneys' fees and all other related expenses in such litigation.

1.18 Services by CLIENT

CLIENT shall pay all other charges not specifically covered by the terms of this agreement, unless specifically included in the Scope of Services. The CLIENT shall furnish, at the CLIENT'S expense, all information required by this Agreement. The CONSULTANT may use such information, requirements, reports, data, surveys and instructions in performing its services and is entitled to rely upon the accuracy and completeness thereof.

1.19 Retention

If any portion of CONSULTANT'S fee is held in retention, such amount shall be released within thirty days after invoicing for completion of corresponding services. Interest shall be paid at the rate of 1.5% per month on any retention amounts not paid within this thirty-day period.

ARTICLE 2. DEFINITIONS

2.1 Burdened Labor Costs

Burdened labor costs shown on the Standard Billing Rates include payroll taxes, worker's compensation insurance, and other overhead costs applicable to the typical standard of care.

2.2 Direct Expenses

Expenditures made by the CONSULTANT, its employees or its Subconsultants in the interest of the Project. Applicable reimbursable direct expenses are defined on the Standard Billing Rates.

ARTICLE 3. COMPENSATION

3.1 Payment Due

Invoices shall be submitted by the CONSULTANT monthly, are due upon presentation and shall be considered past due if not paid in full within thirty (30) days of the invoice date.

3.2 Interest

If payment in full is not received by the CONSULTANT within thirty (30) calendar days of the invoice date, the invoices shall bear interest at one-and-one-half (1.5) percent (or the maximum rate allowable by law, whichever is less) of the past due amount per month, which shall be calculated from the invoice due date. Payment thereafter shall first be applied to accrued interest and then to the unpaid principal.

3.3 Collection Costs

If the CLIENT fails to make payments when due and the CONSULTANT incurs any costs in order to collect overdue sums from the CLIENT, the CLIENT agrees that all such collection costs incurred shall immediately become due and payable to the CONSULTANT. Collection costs shall include, without limitation, legal fees, collection agency fees and expenses, court costs, collection bonds and reasonable CONSULTANT staff costs at Standard Billing Rates for the CONSULTANT'S time spent in efforts to collect. This obligation of the CLIENT to pay the CONSULTANT'S collection costs shall survive the term of this Agreement or any earlier termination by either party.

3.4 Termination or Suspension of Services

This agreement may be terminated or suspended by either party effective seven (7) days from the date of written notice, or if the CLIENT suspends the work for three (3) months. Upon receipt of a notice of termination or suspension, CONSULTANT will stop or suspend its work and provide same direction for the work of all its Subcontractors and suppliers. Failure of CLIENT to make payments when due shall be cause for suspension of services or ultimately, termination, unless and until CONSULTANT has been paid in full all amounts due for services, expenses and other approved related charges. CONSULTANT shall have no liability whatsoever to the CLIENT for any costs or damages as a result of such suspension or termination caused by any breach of this Agreement by the CLIENT. Upon payment-in-full by the CLIENT, CONSULTANT shall resume services under this Agreement, and the time schedule and compensation shall be equitably adjusted to compensate for the period of suspension plus any reasonable time and expense necessary for the CONSULTANT to resume performance.

3.5 Retention Discounts

Payment of invoices shall not be subject to any discounts or retention by the CLIENT, unless agreed to in writing by the CONSULTANT. Payment to the CONSULTANT for services rendered and expenses incurred shall be due and payable regardless of any subsequent suspension or termination of this Agreement by either party.

3.6 Satisfaction with Services

Payment of any invoice by the CLIENT to the CONSULTANT shall be taken to mean that the CLIENT is satisfied with the CONSULTANT'S services to the date of payment and is not aware of any deficiencies in those services.

3.7 Disputed Invoices

If the CLIENT objects to any portion of any invoice, the CLIENT shall so notify the CONSULTANT in writing within ten (10) days of receipt of the invoice. The CLIENT shall identify in writing the specific cause of the disagreement and the amount in dispute and shall pay that portion of the invoice not in dispute in accordance with the other payment terms of this Agreement. Any dispute over invoiced amounts due which cannot be resolved within thirty (30) calendar days after presentation of invoice by direct negotiation between the parties shall be resolved within forty-five (45) calendar days in

accordance with the Dispute Resolution provision of this Agreement. Interest as stated above shall be paid by the CLIENT on all disputed invoice amounts that are subsequently resolved in the CONSULTANT'S favor and shall be calculated on the unpaid balance from the invoice date.

3.8 Payments to the CONSULTANT

Payments to the CONSULTANT shall not be withheld, postponed or made contingent on the construction, completion or success of the project or upon receipt by the CLIENT of offsetting reimbursement or credit from other parties who may have caused additional services or expenses. No withholdings, deductions or offsets shall be made from the CONSULTANT'S compensation for any reason unless the CONSULTANT has been found to be legally liable for such amounts.

3.9 Advance Payment: Withholding Work Product

CONSULTANT reserves the right to require payment in advance for work estimated to be done during a given billing period. CONSULTANT, without any liability to CLIENT, reserves the right to withhold any services and work products herein contemplated pending payment of CLIENT'S outstanding indebtedness or advance payment as required by CONSULTANT. Where work is performed on a reimbursable basis, budget may be increased by amendment to complete the Scope of Services. CONSULTANT is not obligated to provide services in excess of the authorized budget.

ARTICLE 4. SERVICES, ADDITIONAL SERVICES, AND AMENDMENTS

4.1 Definitions

Services and work products not expressly included with those specified in this agreement, as determined by CONSULTANT, are not covered by this agreement. Such services and work products will be provided only upon compliance with the procedures set forth in Article 4.5 of this Agreement.

4.2 Services During Construction

Any construction inspection or testing provided by CONSULTANT is for the purpose of determining the Contractor's compliance with the functional provisions of the project specifications only. CONSULTANT in no way guarantees or insures Contractor's work nor assumes responsibility for methods or appliances used by the Contractor for job site safety or for Contractor's compliance with laws and regulations. CLIENT agrees that in accordance with generally accepted construction practices the construction Contractor will be required to assume sole and complete responsibility for job site conditions during the course of construction of the project including safety of all persons and property and that this responsibility shall be continuous and not be limited to normal working hours.

4.3 Soil Testing

CONSULTANT makes no representations concerning soil conditions, and is not responsible for any liability that may arise out of the making or failure to make soil surveys, or sub-surface soil tests, or general soil testing. It is the CLIENT'S responsibility to obtain a soils report upon which report CONSULTANT can rely.

4.4 Opinion of Probable Construction Costs

In providing opinions of probable construction cost, the CLIENT understands that the CONSULTANT has no control over cost or availability of labor, equipment or materials, or over market conditions or the Contractor's method of pricing, and that the CONSULTANT'S opinions of probable construction costs are made on the basis of the CONSULTANT'S professional judgment and experience. CONSULTANT makes no warranty, express or implied, that bids or negotiated cost of the Work will not vary from the CONSULTANT'S opinion of probable construction cost.

4.5 Additional Services

Additional services or work products requiring an adjustment of CONSULTANT'S original estimated budget or fixed fee will be provided at CLIENT'S request upon execution of a written amendment to this agreement expressly referring to the same and signed by both parties.

ARTICLE 5. TERMINATION OF AGREEMENT

5.1 Due to Default

This agreement may be terminated by either party upon seven (7) days written notice should the other party fail to substantially perform in accordance with this agreement through no fault of the party initiating the termination.

5.2 Without Cause

This agreement may be terminated by CLIENT upon at least fourteen (14) days written notice to CONSULTANT in the event that the project is abandoned.

5.3 Termination Adjustment: Payment

If this agreement is terminated through no fault of the CONSULTANT, CONSULTANT shall be paid for services performed and costs incurred to the termination notice date, including reimbursable expenses due, plus an additional amount not to exceed ten percent (10%) of charges incurred to the termination notice date to cover services to orderly close the work and prepare project files and documentation, plus any additional direct expenses incurred by CONSULTANT including but limited to cancellation fees or charges. CONSULTANT will use reasonable efforts to minimize such additional charges.

ARTICLE 6. LIMITATION OF LIABILITY; WAIVER; WARRANTY

6.1 Limitation of Liability

In recognition of the relative risks and benefits of the project to both the CLIENT and the CONSULTANT, the risks have been allocated such that the CLIENT agrees, to the fullest extent permitted by law, to limit the liability of the CONSULTANT to the CLIENT for any and all claims, losses, costs, damages of any nature whatsoever or claims expenses from any cause or causes, including attorneys' fees and costs and expert-witness fees and costs, so that the total aggregate liability of the CONSULTANT to the CLIENT shall not exceed \$50,000.00, or the CONSULTANT'S total fee for services rendered on this project, whichever is greater. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, unless otherwise prohibited by law.

6.2 Contractor and Subcontractor Claims

The CLIENT further agrees, to the fullest extent permitted by law, to limit the liability of the CONSULTANT and the CONSULTANT'S officers, directors, partners, employees and Subconsultants to all construction Contractors and Subcontractors on the Project for any and all claims, losses, damages of any nature whatsoever or claims expenses from any cause or causes, including attorneys' fees and costs and expert witness fees and costs, so that the total aggregate liability of the CONSULTANT and the CONSULTANT'S Subconsultants to all those named shall not exceed \$50,000.00, or the CONSULTANT'S total fee for services rendered on this Project, whichever is greater. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, unless otherwise prohibited by law.

6.3 Warranty

CONSULTANT makes no warranty, either express or implied, as to CONSULTANT'S findings, recommendations, specifications, or professional advice, except that the work was performed pursuant to generally accepted standards of practice in effect at the time of performance.

If, during the term of this Agreement, circumstances or conditions that were not originally contemplated by or known to the CONSULTANT are revealed, to the extent that they affect the Scope of Services, compensation, schedule, allocation of risks or other material terms of this Agreement, the CONSULTANT may call for renegotiation of appropriate portions of this Agreement. The CONSULTANT shall notify the CLIENT of the changed conditions necessitating renegotiation, and the CONSULTANT and the CLIENT shall promptly and in good faith enter into renegotiations of this Agreement to address the changed conditions. If terms cannot be agreed to, the parties agree that either party has the absolute right to terminate this Agreement, in accordance with the Termination Provision hereof.

If the Scope of Services pursuant to this agreement does not include on-site construction review, construction management, or other construction supervision for this project, or if subsequent to this agreement CLIENT retains other persons or entities to provide such services, CLIENT acknowledges that such services will be performed by others and CLIENT will defend, indemnify and hold CONSULTANT harmless from any and all claims arising from or resulting from the performance of such services by other persons or entities except claims caused by the sole negligence or willful misconduct of CONSULTANT; and from any and all claims arising from or resulting from clarifications, adjustments, modifications, discrepancies or other changes necessary to reflect changed field or other conditions, except claims caused by the sole negligence or willful misconduct of CONSULTANT.

6.4 Interpretation

Limitations on liability, waivers and indemnities in this Agreement are business understandings between the parties and shall apply to all legal theories of recovery, including breach of contract or warranty, breach of fiduciary responsibility, tort (including negligence), strict or statutory liability, or any other cause of action, provided that these limitations on liability, waivers and indemnities will not apply to any losses or damages that may be found by a trier of fact to have been caused by the CONSULTANT'S sole or gross negligence or the CONSULTANT'S willful misconduct. The parties also agree that the CLIENT will not seek damages in excess of the contractually agreed-upon limitations directly or indirectly through suites against other parties who may join the CONSULTANT as a third-party defendant. "Parties" means the CLIENT and the CONSULTANT, and their officers, directors, partners, employees, Subcontractors and Subconsultants.

6.5 Delays

The CLIENT agrees that the CONSULTANT is not responsible for damages arising directly or indirectly from any delays for causes beyond the CONSULTANT'S control. For purposes of this Agreement, such causes include, but are not limited to, strikes or other labor disputes; severe weather disruptions or other natural disasters; fires, riots, war or other emergencies or acts of God; failure of any government agency to act in a timely manner; failure of performance by the CLIENT of the CLIENT'S Contractors or CONSULTANT'S; or discovery of any hazardous substances or differing site conditions.

ARTICLE 7. HAZARDOUS WASTE MATERIALS

7.1 Liability

CONSULTANT hereby states and CLIENT hereby acknowledges that CONSULTANT has no professional liability insurance for claims arising out of the performance of or failure to perform professional services, including, but not limited to the preparation of reports, designs, drawings and specifications, related to the investigation, detection, abatement, replacement, use or specification, or removal of products, materials or processes containing substances including, but not limited to asbestos, toxic or hazardous waste, PCBs, combustible gases and materials, petroleum or radioactive materials (as each of these is defined in applicable federal statutes) or any other substances under any conditions and in such quantities as

would pose a substantial danger to persons or property exposed to such substances at or near the Project site. Accordingly, the CLIENT hereby agrees to bring no claim for negligence, breach of contract indemnity or otherwise against the CONSULTANT, its principals, employees, and agents if such claim, in any way, would involve the CONSULTANT'S services for the investigation, detection, abatement, replacement, use or specification, or removal of products, materials or processes containing asbestos, asbestos cement pipe, and/or hazardous waste materials. CLIENT further agrees to defend, indemnify and hold harmless CONSULTANT, its officers, directors, principals, employees and agents from any asbestos and/or hazardous waste material related claims that may be brought by third parties as a result of the services provided by the CONSULTANT pursuant to this agreement except claims caused by the sole negligence or willful misconduct of the CONSULTANT.

ARTICLE 8. OWNERSHIP AND REUSE OF DOCUMENTS

8.1 CONSULTANT Ownership

All original papers, documents, drawings, electronic media and other work product of CONSULTANT, and copies thereof, produced by CONSULTANT pursuant to this agreement shall remain the property of CONSULTANT and may be used by CONSULTANT without the consent of CLIENT. Upon request and payment of the costs involved, CLIENT is entitled to a copy of all papers, documents and drawings provided CLIENT'S account is paid current.

8.2 Document Reuse

In the event the CLIENT, the CLIENT'S Contractors or Subcontractors, or anyone for whom the CLIENT is legally liable makes or permits to be made any changes to any reports, plans specifications or other construction documents prepared by the CONSULTANT without obtaining the CONSULTANT'S prior written consent, the CLIENT shall assume full responsibility for the results of such changes. Therefore the CLIENT agrees to waive any claim against the CONSULTANT and to release the CONSULTANT from any liability arising directly or indirectly from such changes. In addition, the CLIENT agrees, to the fullest extent permitted by law, to indemnify and hold harmless the CONSULTANT from any damages, liabilities or costs, including reasonable attorneys' fees and costs of defense, arising from such changes. In addition, the CLIENT agrees to include in any contracts for construction appropriate language that prohibits the Contractor or any Subcontractors of any tier from making any changes or modifications to the CONSULTANT'S construction documents without the prior written approval of the CONSULTANT and further requires the Contractor to indemnify both the CONSULTANT and the CLIENT from any liability or cost arising from such changes made without proper authorization.

8.3 Electronic Media Alteration and Reuse

Because CADD information stored in electronic form can be modified by other parties, intentionally or otherwise, without notice or indication of said modifications, CONSULTANT reserves the right to remove all indicia of its ownership and/or involvement in the material from each electronic medium not held in its possession. CLIENT shall retain copies of the work performed by CONSULTANT in CADD form only for information and use by CLIENT for the specific purpose for which CONSULTANT was engaged. Said materials shall not be used by CLIENT, or transferred to any other party, for use in other projects, additions to the current project, or any other purpose for which the material was not strictly intended by CONSULTANT without CONSULTANT'S express written permission. Unauthorized modification or reuse of the materials shall be at CLIENT'S sole risk, and CLIENT agrees to defend, indemnify, and hold CONSULTANT harmless, from all claims, injuries, damages, losses, expenses, and attorney's fees arising out of the unauthorized modification or use of these materials.

**AGREEMENT FOR CONSULTANT SERVICES
(Sanitary Sewer Management Plan Update)**

This AGREEMENT FOR CONSULTANT SERVICES (“Agreement”) is made and effective as of August, 2021, between **WALLACE GROUP** (“Consultant”), and the **MISSION HILLS COMMUNITY SERVICES DISTRICT**, a political subdivision of the State of California (“District”). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. **TERM**

This Agreement shall commence on August ____, 2021 and shall remain and continue in effect until the services and tasks set forth in Consultant’s Proposal (the “Proposal”) have been completed, unless sooner terminated pursuant to the provisions of this Agreement.

2. **SERVICES**

Consultant shall perform the tasks described in and comply with all terms and provisions set forth in Consultant’s Proposal for Sanitary Sewer Management Plan Update dated July 6, 2021, which Proposal consists of 5 pages. Pages 1-5 of the Proposal are attached hereto as Exhibit “A,” and incorporated herein by this reference.

3. **PERFORMANCE**

Consultant shall at all times faithfully, competently and to the best of his/her ability, experience and talent, perform all tasks described herein. Consultant shall employ, at a minimum generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

4. **AGREEMENT ADMINISTRATION**

District’s General Manager, Jerry Gruber, shall represent District in all matters pertaining to the administration of this Agreement. Bill Callahan, Consultant’s Senior Environmental Compliance Specialist, shall represent Consultant in all matters pertaining to the administration of this Agreement.

5. **PAYMENT**

The District agrees to pay the Consultant an amount not to exceed \$17,776 for its service in accordance with the payment rates and terms set forth in Exhibit “B,” Consultant’s Standard Billing Rates, attached hereto and incorporated herein by this reference, in monthly progress payments based on time spent on each task.

6. **SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE**

(a) The District may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the District suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the District shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the District. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the District pursuant to Section 5.

7. **TERMINATION ON OCCURRENCE OF STATED EVENTS**

This Agreement shall terminate automatically on the occurrence of any of the following events:

- (a) Bankruptcy or insolvency of any party;
- (b) Sale of Consultant's business;
- (c) Assignment of this Agreement by Consultant without the consent of District; or
- (d) End of the Agreement term specified in Section 1.

8. **DEFAULT OF CONSULTANT**

(a) The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, District shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to the Consultant. If such failure by the Consultant to make progress in the performance of work hereunder arises out of causes beyond the Consultant's control, and without fault or negligence of the Consultant, it shall not be considered a default.

(b) If the District Manager or his/her delegate determines that the Consultant is in default in the performance of any of the terms or conditions of this Agreement, he/she shall cause to be served upon the Consultant a written notice of the default. The Consultant shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the District shall have the right,

notwithstanding any other provision of this Agreement to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

9. **LAWS TO BE OBSERVED.** Consultant shall:

(a) Procure all permits and licenses, pay all charges and fees, and give all notices which may be necessary and incidental to the due and lawful prosecution of the services to be performed by Consultant under this Agreement;

(b) Keep itself fully informed of all existing and proposed federal, state and local laws, ordinances, regulations, orders, and decrees which may affect those engaged or employed under this Agreement, any materials used in Consultant's performance under this Agreement, or the conduct of the services under this Agreement;

(c) At all times observe and comply with, and cause all of its employees to observe and comply with all of said laws, ordinances, regulations, orders, and decrees mentioned above;

(d) Immediately report to the District's General Manager in writing any discrepancy or inconsistency it discovers in said laws, ordinances, regulations, orders, and decrees mentioned above in relation to any plans, drawings, specifications, or provisions of this Agreement; and

(e) The District, and its officers, agents and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

10. **OWNERSHIP OF DOCUMENTS**

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by District that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of District or its designees at reasonable times to such books and records; shall give District the right to examine and audit said books and records; shall permit District to make transcripts therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to

be performed pursuant to this Agreement shall become the sole property of the District and may be used, reused, or otherwise disposed of by the District without the permission of the Consultant. With respect to computer files, Consultant shall make available to the District, at the Consultant's office and upon reasonable written request by the District, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files.

11. **INDEMNIFICATION**

(a) Indemnification for Professional Liability. When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless District and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or subcontractors (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this agreement.

(b) Indemnification for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless District, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

(c) General Indemnification Provisions. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this agreement. In the event Consultant fails to obtain such indemnity obligations from others as required here, Consultant agrees to be fully responsible according to the terms of this section. Failure of District to monitor compliance with these requirements imposes no additional obligations on District and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend District as set forth here is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this agreement or this section.

(d) Indemnification for Design Professional Services. Notwithstanding anything herein to the contrary, to the fullest extent permitted by law for all design professional services arising under this Agreement, Consultant shall indemnify, protect, defend and hold harmless District and any and all of its officials, employees and agents

("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs which arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

12. **INSURANCE**

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit "C," attached hereto and incorporated herein as though set forth in full.

13. **INDEPENDENT CONSULTANT**

(a) Consultant is and shall at all times remain as to the District a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither District nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the District. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against District, or bind District in any manner.

(b) No employee benefits shall be available to Consultant in connection with performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, District shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for District. District shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

14. **UNDUE INFLUENCE**

Consultant declares and warrants that no undue influence or pressure was or is used against or in concert with any officer or employee of the Mission Hills Community Services District in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the Mission Hills Community Services District will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the District to any and all remedies at law or in equity.

15. **NO BENEFIT TO ARISE TO LOCAL EMPLOYEES**

No member, officer, or employee of District, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the project performed under this Agreement.

16. **RELEASE OF INFORMATION/CONFLICTS OF INTEREST**

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without District's prior written authorization. Consultant, its officers, employees, agents, or subcontractors, shall not without written authorization from the General Manager or unless requested by the District Counsel, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the District. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives District notice of such court order or subpoena.

(b) Consultant shall promptly notify District should Consultant, its officers, employees, agents, or subContractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the District. District retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding. Consultant agrees to cooperate fully with District and to provide the opportunity to review any response to discovery requests provided by Consultant. However, District's right to review any such response does not imply or mean the right by District to control, direct, or rewrite said response.

17. **NOTICES**

Any notice which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To District: Jerry Gruber, General Manager
Mission Hills Community Services District
1550 Burton Mesa Blvd
Lompoc, CA 93436

Copy to: Timothy J. Carmel
Carmel & Naccasha, LLP
694 Santa Rosa Street
San Luis Obispo, CA 93401

To Consultant: Wallace Group
612 Clarion Court
San Luis Obispo, CA 93401

18. **ASSIGNMENT**

The Consultant shall not assign the performance of this Agreement, nor any part thereof, without the prior written consent of the District.

19. **GOVERNING LAW**

The District and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the superior or federal district court with jurisdiction over the Mission Hills Community Services District.

20. **ENTIRE AGREEMENT**

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

21. **TIME**

District and Consultant agree that time is of the essence in this Agreement.

22. **CONTENTS OF PROPOSAL**

Consultant is bound by the contents of the Proposal submitted by the Consultant, Exhibit "A," attached hereto and previously incorporated herein. Should there be a conflict between the terms of this Agreement and the terms of Consultant's Proposal, the terms of this Agreement shall prevail.

23. **CONSTRUCTION**

The parties agree that each has had an opportunity to have their counsel review this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments or exhibits thereto. The captions of the sections are for convenience and reference only, and are not intended to be construed to define or limit the provisions to which they relate.

24. **AMENDMENTS**

Amendments to this Agreement shall be in writing and shall be made only with the mutual written consent of all of the parties to this Agreement.

25. **AUTHORITY TO EXECUTE THIS AGREEMENT**

The person or persons executing this Agreement on behalf of Consultant warrants and represents that he/she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

**MISSION HILLS COMMUNITY SERVICES
DISTRICT**

WALLACE GROUP

By: _____
Jerry Gruber, General Manager

By: _____

ATTEST:

Lupe Huitron, Board Secretary

Approved As To Form:

Timothy J. Carmel, District Counsel

EXHIBIT A
CONSULTANT'S PROPOSAL

EXHIBIT B

WALLACE GROUP STANDARD BILLING RATES

EXHIBIT C

INSURANCE REQUIREMENTS

Prior to the beginning of and throughout the duration of the Work, Consultant will maintain insurance in conformance with the requirements set forth below. Consultant will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Consultant agrees to amend, supplement or endorse the existing coverage to do so. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to District in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to District.

Consultant shall provide the following types and amounts of insurance:

Commercial General Liability Insurance using Insurance Services Office "Commercial General Liability" policy from CG 00 01 or the equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Business Auto Coverage on ISO Business Auto Coverage from CA 00 01 including symbol 1 (Any Auto) or the equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Consultant owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Consultant or Consultant's employees will use personal autos in any way on this project, Consultant shall provide evidence of personal auto liability coverage for each such person.

Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000 per accident or disease.

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designated to protect against acts, errors or omissions of the Consultant and "Covered Professional Services" as designated in the policy must specifically include work performed under this agreement. The policy limit shall be no less than \$1,000,000 per claim and in the aggregate. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend the insured. The policy retroactive date shall be on or before the effective date of this agreement.

Insurance procured pursuant to these requirements shall be written by insurer that are admitted carriers in the state California and with an A.M. Bests rating of A- or better and a minimum financial size VII.

General conditions pertaining to provision of insurance coverage by Consultant. Consultant and District agree to the following with respect to insurance provided by Consultant:

1. Consultant agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds District, its officials employees and agents, using standard ISO endorsement No. CG 2010 with an edition prior to 1992 or current equivalent. Consultant also agrees to require all consultants, and subcontractors to do likewise.

2. No liability insurance coverage provided to comply with this Agreement shall prohibit Consultant, or Consultant's employees, or agents, from waiving the right of subrogation prior to a loss. Consultant agrees to waive subrogation rights against District regardless of the applicability of any insurance proceeds, and to require all Consultants and subcontractors to do likewise.

3. All insurance coverage and limits provided by Consultant and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the District or its operations limits the application of such insurance coverage.

4. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to District and approved of in writing.

5. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any Consultant or subcontractor.

6. All coverage types and limits required are subject to approval, modification and additional requirements by the District, as the need arises. Consultant shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect District's protection without District's prior written consent.

7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Consultant's general liability policy, shall be delivered to District at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, District has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other

agreement and to pay the premium. Any premium so paid by District shall be charged to and promptly paid by Consultant or deducted from sums due Consultant, at District option.

8. Certificate(s) are to reflect that the insurer will provide 30 days notice to District of any cancellation of coverage. Consultant agrees to require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, or that any party will “endeavor” (as opposed to being required) to comply with the requirements of the certificate.

9. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by Consultant or any subcontractor, is intended to apply first and on a primary, noncontributing basis in relation to any other insurance or self insurance available to District.

10. Consultant agrees to ensure that subcontractors, and any other party involved with the project that is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the project will be submitted to District for review.

11. Consultant agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any Consultant, subcontractor, Architect, Engineer or other entity or person in any way involved in the performance of work on the project contemplated by this agreement to self-insure its obligations to District. If Consultant’s existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the District. At the time the District shall review options with the Consultant, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.

12. The District reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the District will negotiate additional compensation proportional to the increase benefit to District.

13. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.

14. Consultant acknowledges and agrees that any actual or alleged failure on the part of District to inform Consultant of non-compliance with any insurance

requirements in no way imposes any additional obligations on District nor does it waive any rights hereunder in this or any other regard.

15. Consultant will renew the required coverage annually as long as District, or its employees or agents face an exposure from operations of any type pursuant to this agreement. This obligation applies whether or not the agreement is canceled or terminated for any reason. Termination of this obligation is not effective until District executes a written statement to that effect.

16. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Consultant's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to District within five days of the expiration of the coverages.

17. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to District, its employees, officials and agents.

18. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.

19. These insurance requirements are intended to be separate and distinct from any other provision in this Agreement and are intended by the parties here to be interpreted as such.

20. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.

21. Consultant agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge District or Consultant for the cost of additional insurance coverage required by this agreement. Any such provisions are to be deleted with reference to District. It is not the intent of District to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against District for payment of premiums or other amounts with respect thereto.

22. Consultant agrees to provide immediate notice to District of any claim or loss against Consultant arising out of the work performed under this agreement. District assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve District.

ADVANTAGE TECHNICAL SERVICES, INC.
SPECIALTY ENGINEERING AND INSPECTION COMPANY

July 7, 2021

Mr. Jerry Gruber
General Manager
Mission Hills Community Services District

RE: Engineering Services Proposal for Rehabilitation of Mission Hills CSD's Water Storage Tanks


Dear Mr. Gruber:

I am writing to provide you with the pertinent information pursuant to your recent request for proposal regarding professional services for the rehabilitation of the District's water tanks. Please find the attached background on ATS, approach to the work, scope, sample of specific projects, key personnel and estimate.

ATS specializes in this type of work and we have experience in the design and construction of over 300 water or wastewater coating projects. Our NACE Level III Coatings Inspector will be intimately involved in all phases of this work. Construction specifications will be based on our experience and proven industry standards.

Our proposal is based on a "Time and Materials" pay method with a "Not to Exceed" limit. Thank you for the consideration of our firm for this project. We look forward to working with you to achieve quality results in an efficient manner. Please call if you have any questions regarding the services that we are offering.

Sincerely,
Advantage Technical Services, Inc.



William D. Bellis, P.E.
Principal

PROPOSAL FOR ENGINEERING SERVICES FOR REHABILITATION OF MISSION HILLS COMMUNITY SERVICE DISTRICT'S 800,000 STORAGE TANKS

BACKGROUND

Advantage Technical Services, Inc. (ATS) has grown steadily, for over 20 years, as a provider of engineering, technical and construction management services to water and wastewater system owners. During this period our firm has been involved in a high percentage of the major tank projects in this area including inspections and consulting for the District's tanks.

Our team's experience base includes employment on the construction side with a major tank Contractor, work as a diving contractor, design engineer, and construction manager. This varied perspective gives us a unique understanding of the challenges faced by all parties of a project. We apply this background and experience to help develop projects that will provide long term service and value.

ATS is a certified Women Owned Business.

APPROACH TO THE WORK

ATS, Inc. understands that the success of the project starts with, and is founded in, good planning and project design. We believe that the Engineer must understand all phases of the project. A well developed set of technical specifications, drawings and a well designed project methodology will encourage responsible bidding. Providing a responsible Contractor with quality technical information is critical for project success. Early identification of problems and development of reasonable solutions enables the Contractor to continuously move forward. A clear understanding of tank structures, appurtenances and the corrosion issues associated with the coastal environment will result in a finished product that will provide years of low maintenance service.

Our personnel at ATS have engineered and inspected successful, large, and complex construction projects under the most challenging conditions and have a broad spectrum of applicable experience. We are confident that the personnel we have committed to this project possess the qualities and qualifications that will enable a pragmatic approach and result in a quality project. ATS finds that these factors are important to achieving a successful project.

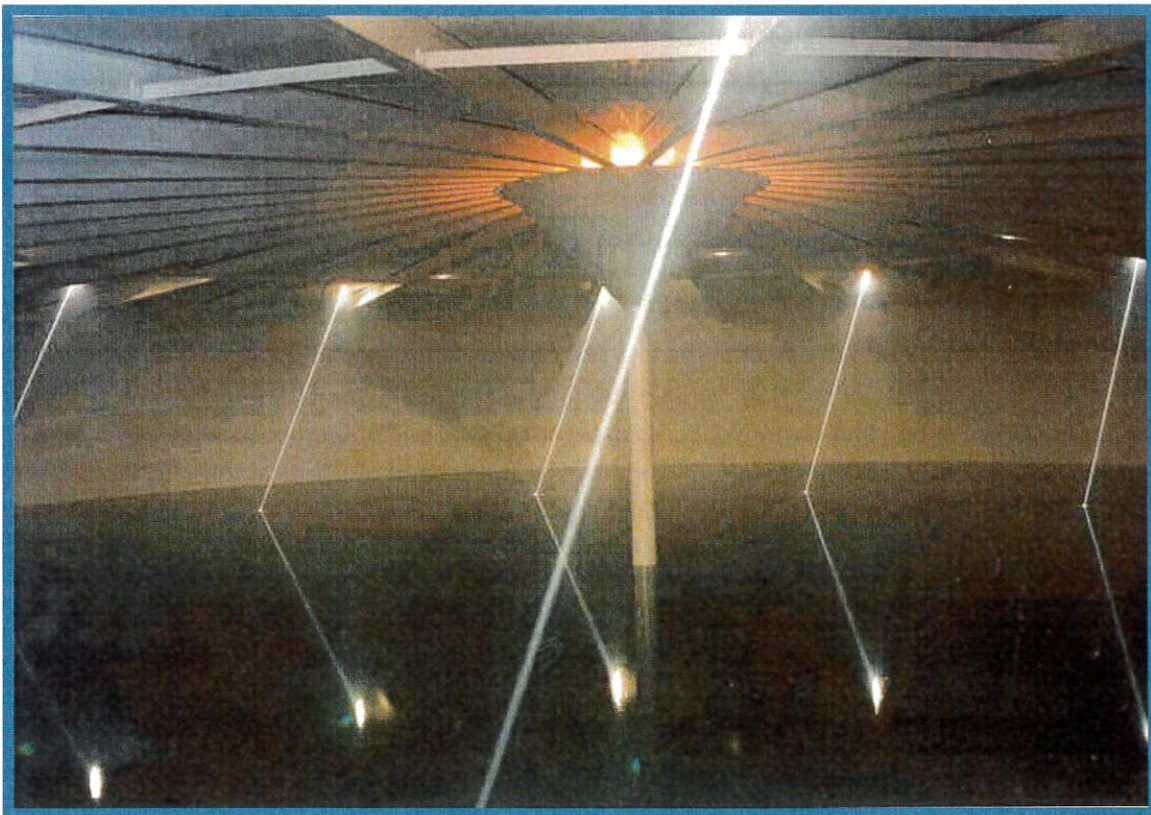
SCOPE OF WORK

PROJECT UNDERSTANDING

Advantage Technical Services, Inc. (ATS) is offering to provide engineering services for the preparation of bid documents for the rehabilitation of the District's 800,000 gallon water tanks. Recent inspections revealed that coatings have failed in some areas and corrosion is damaging the structures. Other findings include deficiencies relating to health and safety regulations and various conditions that justify action.

Phase 1 – Tank Evaluations and Project Site Visit

To initiate the project, ATS will attend a start-up meeting, review inspection reports and visit the site to assess field conditions and discuss project specifics. This initial phase will facilitate communication between the District and ATS regarding the project scope and goals.



Phase 2 – Development of Construction Scope

ATS will develop options and prepare a recommended approach for rehabilitation of the interior and exterior coatings of two tanks. Not all coating necessarily need replacement as part of this work. Options will be presented for strategies to deal with peeling exterior coatings, corrosion damage, options for more durable seismic details, cathodic protection and appurtenance (ladders, ladder doors, vents, etc.) upgrades. Coating evaluations will consist of adhesion testing, existing dry film thickness, potential for over- coating without removal of existing coatings and general overall condition.

Cost estimates for recommended alternatives will be provided to facilitate the District's decision making process.

Phase 3 – Bid Documents, Technical Specifications, and Final Engineer's Estimate

Upon approval of the project scope, ATS will proceed with the production of bid documents and technical specifications.

The construction details will include information that potential contractors (bidders) need to understand what the District is looking for so that they can bid the job. Information would likely include details on coatings, ladders, ladder doors, center vent, flexible piping connections and roof corrosion repairs.

Progress submittals of plans and specifications will be provided at 50% and 90%, then final levels of completion. A final Engineer's estimate of construction cost will be submitted with the final plans and specification.

Phase 4 – Bid Phase Support

RFI and Addenda Preparation – During the bidding phase, ATS will assist in responding to information requests, and assist in preparing bid addenda on a time and materials basis as directed by the District.

Pre-Bid Conference – ATS will plan and run the pre-bid conference with the interested contractors to address questions and comments before bids are submitted. During the pre-bid conference, ATS will briefly discuss key technical and contractor coordination issues critical to the successful construction of this project. This brief discussion is to inform bidders of existing conditions, critical construction issues and scheduling requirements for the purpose of obtaining more accurate and competitive bids.

Review of bids – ATS will review the apparent low bid for responsiveness to bid request and will check for potential errors and inconsistencies. Following the bid analysis, a letter of recommendation for bid award will be prepared and delivered to the District.

BUDGET

ATS will complete this work on a time and materials basis, with a budget not to exceed \$56,627 unless authorized in writing by the District.

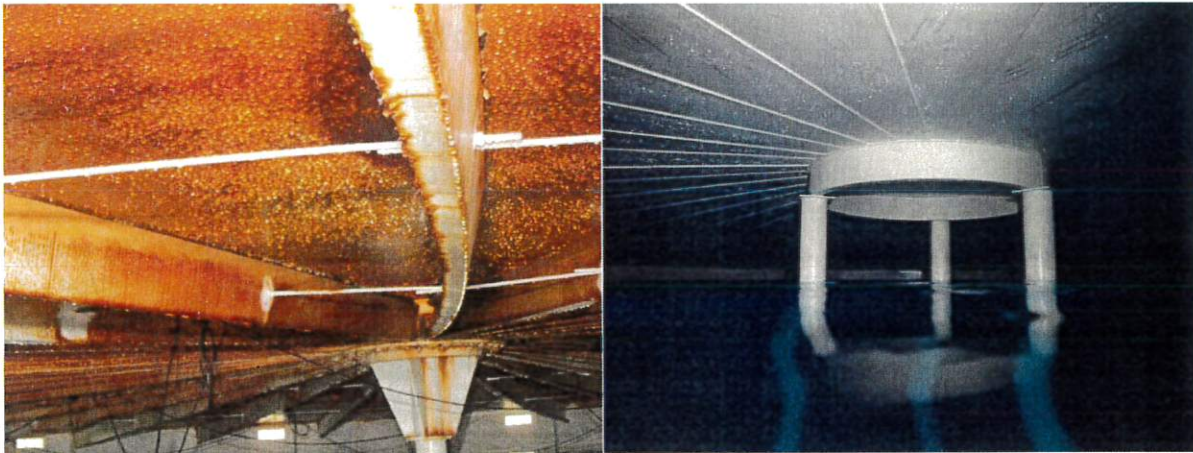
PROPOSAL FOR ENGINEERING SERVICES

MISSION HILLS COMMUNITY SERVICES DISTRICT

PROJECT EXPERIENCE

Twain Harte Community Services District, Water Tank Roof Replacement

The project included removal and replacement of the damaged roof on a 1,000,000-gallon potable water tank, upgrade of appurtenances and re-coating. The new roof structure was designed for a much higher snow load to meet new requirements and improve resistance to rafter overloading. The increased design load necessitated a multi-column center support to accommodate existing soil conditions. The new roof interior is seal welded and free of complex shapes that create corrosion prevention challenges. ATS provided inspection, structural design, specification development and quality assurance services.



Cambria Community Services District, Fiscalini Water Tank Replacement Project

ATS provided structural evaluation of the corroded tank and worked with District staff to design a project that avoided the complex Coastal Commission permitting process while replacing the existing tank with one designed for long lasting low maintenance performance in the challenging coastal environment. ATS provided all aspects of engineering, bid administration, management and special inspection. The specification encouraged contractor creativity and responsibility for work within an extremely small site surrounded by environmentally sensitive area. The design incorporated an innovative seal-welded roof to reduce interior corrosion.



PROPOSAL FOR ENGINEERING SERVICES

MISSION HILLS COMMUNITY SERVICES DISTRICT

City of Pismo Beach Pier Rehabilitation Project

ATS acted as Consulting Engineer and provided quality assurance oversight. ATS worked with the Project Engineer to develop and specify coating systems and structural details. ATS provided review of contractor submittals and construction quality assurance for welding and coating.

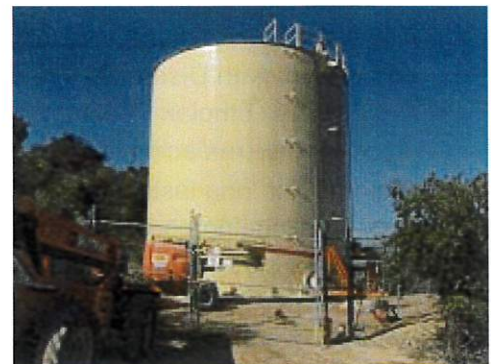


City of Paso Robles, 4 Million Gallon Tank Coating and Roof Rehabilitation Project

The Golden Hills Tank #2 had serious corrosion and detrimental metal loss on the interior roof structure and the coatings were over 20 years old. ATS provided services including structural evaluation, project engineering, construction management and quality assurance oversight. Dive inspections by our engineering dive team helped develop an understanding of the corrosion damage. A variety of scope options for rehabilitation were provided to the City and a project scope was developed. Corroded rafters were replaced and other components of the structure were rehabilitated in place. Additional venting and safety equipment upgrades were also included. New coatings were applied on the interior and exterior using procedures that helped the City save the cost of unnecessary work. The project was completed on time and under budget during the Covid 19 pandemic.

The City of Paso Robles, Rehabilitation of Golden Hills #1 and Merryhill Tanks

ATS provided engineering, construction management and quality assurance services for this project. The project scope included development of coating rehabilitation specifications, excavation, concrete foundation for anchoring of the existing Merryhill Tank, interior and exterior coatings and rehabilitation of the existing roof structure on the Golden Hill Tank. Unique project challenges associated with existing lead-based coatings and very limited project site area were identified early and addressed during scope development. ATS provided project development, special inspection, detailed specifications of tank appurtenances and review of Contractor's submittals during the project that helped control change order costs.



PROPOSAL FOR ENGINEERING SERVICES

MISSION HILLS COMMUNITY SERVICES DISTRICT

South San Luis Obispo County Sanitation District Cherry Creek Pipe Bridge Rehabilitation Project



ATS acted as Consulting Engineer, developed plans and equipment for access and provided evaluation of existing conditions. ATS worked with the District to find a way to access the underside of the pipe without the cost and environmental impacts of building scaffolding. ATS engineered a movable hanging scaffold that allowed access while meeting safety requirements and used it to provide a complete evaluation of the bridge and pipeline.

City of Santa Maria, Rehabilitation of Wastewater Clarifier #1 and Grit Chamber

ATS worked with the City to inspect the corrosion of the existing concrete and steel. As the Project Engineer, ATS developed the technical documents and contracting strategy to address the severe corrosion damage, operational constraints and budget limitations. Construction specifications incorporated both the latest state-of-the-art coatings, “old school” coatings with a long performance history and a simple innovative cathodic protection system for redundant protection from corrosion that has proven effective on our previous projects.



SLO County, Tank Recoating for CSA 10 Cayucos Water Treatment Plant

ATS provided project engineering for the rehabilitation and safety upgrades for this tank. ATS' scope included structural evaluation of the exterior roof, project development and technical specifications. ATS was called in to provide consulting for change order avoidance during construction after the contractor and quality assurance provider stopped construction based on claims regarding lack of structural integrity. ATS quickly conducted an evaluation of the corroded structure including determination of the section modulus of roof rafters in their “as corroded” condition. The structure was shown to be structurally adequate. The contractor and project inspector returned to work without change order.

PROPOSAL FOR ENGINEERING SERVICES

MISSION HILLS COMMUNITY SERVICES DISTRICT

San Luis Obispo County-New Water Tanks for Cayucos CSA 10



The tanks at this location provide potable water for the public and fire suppression including post-earthquake service. The old tank had serious corrosion and was in poor condition to resist damage during a seismic event. The County chose ATS to assist with scope development, provide construction quality assurance and engineering consulting. The two new 220,000-gallon tanks include mechanical anchorage, flexible pipe connections and seal welded roofs.

Kelly Slater Surf Ranch

The Kelly Slater Wave Ranch uses cutting edge science and design to create the longest rideable open-barrel wave in the world. ATS provided structural evaluation and underwater repair of the safety barrier and wave producing systems. We provided engineering consulting to the operations group and assisted with the development of rehabilitation and inspection plans. ATS has successfully developed procedures and completed novel underwater repairs of the wave generating foil. Repairs used composite materials and underwater application techniques associated with our patented underwater coating system which was originally designed to protect potable water during curing.



Los Osos Community Services District, Maintenance Coating Spot Repairs for the 16th St. Water Tanks

This project with the Los Osos Community Services District included all aspects of engineering, bid administration and management. The project was designed to extend the life of the existing tanks with minimal cost. Specific challenges included working in a neighborhood, on a tight site, lead based coatings and the coastal corrosion environment. The specification encouraged contractor creativity and responsible bidding. When the contractor found through thickness corrosion in the roof, a change order was avoided by ATS design and application of a rapid repair system with NSF61 approved materials.

PROPOSAL FOR ENGINEERING SERVICES

MISSION HILLS COMMUNITY SERVICES DISTRICT

KEY PERSONNEL

Construction Inspection Manager/Principal Engineer

William Bellis, P.E. has provided construction quality, engineering and technical services to the construction industry for over 30 years with nearly 300 tank and corrosion rehabilitation projects completed. Will's experience and certified qualifications put him among a handful of tank experts in the country. A mix of engineering, quality assurance and management experience give Will a balanced perspective on the needs of the project and project team. Will has a B.S. in Engineering from Cal Poly San Luis Obispo. He is certified as an API 653 tank inspector which is the primary industry standard for tank rehabilitation. Will is an American Society of Nondestructive Testing Level III which is the highest certification level for qualification of nondestructive testing personnel. Will has been certified by ICBO as a Concrete Inspector and Structural Steel Inspector, by the National Association of Corrosion Engineers as a Coating Inspector, is an AWS Certified Welding Inspector and a Storm Water Pollution Prevention Plan Practitioner/Developer.

Will was the Project Engineer for a tank contractor for 8 years where he developed an in-depth understanding of the design, estimating and construction of water and wastewater tank structures. Will has participated in the writing and editing of the National Standard for Welded Steel Tanks for Water Storage (AWWA D100). The use of protective coatings for corrosion prevention was also an important part of this work. Later in his career, Will moved to Alaska to work as a Project Manager for several large, complex construction projects in some of the world's most challenging conditions. Will was the Project Manager for the Badami Pipelines Project in the winter of 1998 which was a \$27 million dollar project extending above ground cross country pipelines far east of Prudhoe Bay. This project included the first winter pipeline crossings of major arctic rivers designed to reduce impact on sensitive habitat. Will managed an office staff of nearly 30, and over 300 union craft personnel who completed the work on schedule and within budget. About 90% of the work was completed in four months between January and April of 1998. Will worked as Project Manager for several smaller projects then successfully culminated his career in Alaska as Arctic Slope Regional Corporation's Project Manager for the NorthStar Project. The NorthStar Project was the first offshore oil pipeline in Arctic Alaska and pipelines were constructed on floating sea ice. The \$41 million dollar project was extremely complex and regulatory oversight was intense but the project was completed within both budget and very tight schedule. Will continues to provide consulting for ASRC.

In 2000 Will returned to the Central Coast where he and Judy started ATS to provide specialized engineering and technical services for tanks and other corrosion prevention and rehabilitation projects. During the last 18 years, Will has provided construction quality oversight, management and developed specifications for many tank and corrosion rehabilitation projects. Recently Will and ATS acquired U.S. Patent Office approval on an underwater coating system that protects potable water from hazardous substances during the curing process. Will's unique blend of education, credentials, experience and innovative thinking make him well qualified to lead ATS's Construction Inspection team.

PROPOSAL FOR ENGINEERING SERVICES

MISSION HILLS COMMUNITY SERVICES DISTRICT

Resident Inspector Coatings and Corrosion Prevention Specialist

Judy Bellis has been providing construction quality assurance services and helping our clients prevent corrosion for over 12 years. Judy has extensive experience in the field that is an important foundation for development of projects that are to provide long lasting service at optimal value. Judy has been working in the construction industry since her graduation from Cal Poly San Luis Obispo in 1985.

Judy is the Qualifying Individual for ATS' General Engineering Contractor's license. Judy is also an AWS Certified Welding Inspector and holds the highest coatings inspector certification, NACE Level III. Judy is a certified Level II NDT Technician for magnetic particle and die-penetrant processes. These credentials and her field experience provide Judy with valuable insight that she uses when managing construction projects for water, wastewater and coastal environments. Judy has experience on many public works jobs including the City of Santa Maria's Clarifier #1 Recoating, San Luis Obispo County's CSA 10A new water tanks, Golden State Water Co.'s new Alamo Tank, City of San Luis Obispo's Stenner Creek Pipeline, Los Osos CSD's 16th St. Reservoir Repair, Cambria CSD's Fiscalini Tank Replacement Project and Pine Knolls Reservoirs, City of San Luis Obispo Bishop St. Tank, Clearwells 1 and 2 and wastewater maintenance projects. She is experienced with regulatory requirements for certified payroll, insurance and environmental health.

Resident Inspector

Jack Allen has been active with inspection of various construction and rehabilitation projects while working with ATS. Jack's significant "hands on" experience with ATS includes work as an Inspector/Diver/Engineering Technician on multiple projects including Paso Robles 4 MG Tank Coating and Rehabilitation, San Luis Obispo County's new 10A Water Tanks, Golden State Water's new Tanglewood tank, Kelly Slater Surf Ranch man-made wave pool in Lemoore, the new Pismo Beach Pier, Space-X steel structures and the Paso Robles Wastewater Treatment Plant. He has experience and advanced training in many aspects of quality assurance including inspection of coatings, welding and non-destructive testing (PT, MT, UT & VT). Jack is an AWS Certified Welding Inspector, NACE trained coating inspector, Certified Welder, Certified Master Diver and Certified Commercial Diver. Jack is observant, thoughtful, innovative and a good communicator. ATS is proud to have him as a part of the inspection and management team.

Quality Assurance Inspector

Hugh McCaffrey has worked in public works construction and private industry providing quality assurance services on projects for over 25 years. His experience spans from water and wastewater facilities to the Arctic Slope of Alaska. Hugh's experience in welding technology provides him with an

PROPOSAL FOR ENGINEERING SERVICES

MISSION HILLS COMMUNITY SERVICES DISTRICT

understanding of the importance of quality workmanship. His experience as a welder allows him to know what it takes to achieve fitness for purpose.

Hugh is an AWS Certified Welding Inspector, a Certified Level II Magnetic Particle Testing Technician and an ACI Certified Concrete Field-Testing Technician. He is well-versed in industry codes and standards including American Water Works Association D100- Welded Steel Tanks for Water Storage, Welding Pipeline and Related Facilities Standard (API 1104) and the Structural Steel Welding Code (AWS D1.1).

Quality Assurance Inspector/Dive Supervisor

Chuck Rawlinson has extensive experience with tank coatings with over 30 years as an Inspector Diver, Shop Coating Inspector and Under Water Coating Applicator. Chuck has been a valuable consultant employee with ATS for over 10 years. Chuck's extensive experience as a tank inspector gives him a depth of understanding of the problems associated with corrosion on tanks and the impacts of poor workmanship. ATS is fortunate to have access to Chuck's wealth of experience as a team member.



**Estimate for: Rehabilitation of Mission Hills CSD's 800,000 Gallon Tanks
Engineering & Technical Services for Development of Bid Documents**

	Personnel Hours					Fee
	Sr. Eng. Principal	NACEIII or API 653 or ASNT III	CAD Design or Welding Specialist	Clerical or Eng. I	Misc./Mat'l Non-Labor	
Phase 1						
Initiate Project						
Initial meeting & site visit	4	4				\$ 1,220
Determine coating exposure design criteria	2					\$ 340
Review previous inspection reports	1	1				\$ 305
Phase 2						
Development of Construction Scope						
Preliminary engineering of coating system				2		\$ 260
- Design criteria detail	4					\$ 680
- Coating system options	2	4				\$ 880
- Preliminary Engineer's estimate for options to facilitate selection of desired scope & materials	6					\$ 1,020
Evaluation of existing conditions		6		5		\$ 1,460
- Ability to top-coat existing paint		3				\$ 405
- Presence of heavy metals		2			320	\$ 590
- Durability for seismic event	6					\$ 1,020
- Weld roughness & edges		2				\$ 270
- Corrosion under asphalt		4	4			\$ 1,060
Review constructability, develop and present options for:						
- Upgrades to safety equipment	4	1				\$ 815
- Coating prep. & materials	2	4				\$ 880
- Seismic upgrades	4					\$ 680
- Risk management	2					\$ 340
Assistance with permitting	N/A					
Survey	N/A					
Cost opinion for recommended alternative	3	1				\$ 645
Consult with owner on standard information requirements	1					\$ 170
Site Survey/Site plan	N/A					
Soils testing and report	N/A					

Continued next page

	Personnel Hours					Fee
	Sr. Eng.	NACE III or API 653	CAD Design	Clerical or Eng. I	Misc./Mat'l Non-Labor	
Phase 3						
Specifications and Engineer's Estimate						
50% "Plans": (assumed use of photos of existing with description but no drawings)						
- Dimensioning of tank and appurtenances	2					\$ 340
- Photo description of existing conditions	3		3			\$ 900
50% Specifications:				2		\$ 260
Specification Sections:						
- Front end documents	40			4		\$ 7,320
- Scope & Bid Items	8	8				\$ 2,440
- Coating specification	6	8				\$ 2,100
- Appurtenance upgrades spec.	8	8	8			\$ 3,480
- Welding specification	6	8				\$ 2,100
- Cathodic protection specification	8	8				\$ 2,440
- Seismic upgrades	16		16			\$ 4,800
90% Specifications:				2		\$ 260
Specification Sections:						
- Front end documents	16			4		\$ 3,240
- Scope & Bid Items	6					\$ 1,020
- Coating specification	2	4				\$ 880
- Appurtenance upgrades spec.	4	4				\$ 1,220
- Welding specification	4	4				\$ 1,220
- Cathodic protection specification	4					\$ 680
- Seismic upgrades	4			4		\$ 1,200
Final plan set / photo pages	1					\$ 170
Final specifications	4			2		\$ 940
Final Engineer's estimate	2			1		\$ 470
Phase 4						
Bid and Construction Support						
- Pre-bid conference	4					\$ 680
- Addenda preparation	4	1				\$ 815
- Advertising and opening	8			4		\$ 1,880
- RFI response	3					\$ 510
- Review submittals	8	2		1		\$ 1,760
Travel						
	Miles	Rate(\$/mi)				
Preliminary travel	180	0.75				\$ 135
Round trip miles (pre-bid conf.)	60	0.75				\$ 45
Other Costs						
Miscellaneous consumables & materials:					0.5%	\$ 282
Per diem:					n/a	
Total Estimated Fee						\$ 56,627
Rates			Assumptions (available services not included)			
Sr. Engineer, Tank Specialist:	170	\$/hr.	No lead or other heavy metals (pre. '78)			
Sr. Construction Engineer	170	\$/hr.	No patch test for ext. coating compatibility			
NACE III Certified Coatings Insp:	135	\$/hr.	Bid opening at District office			
Designer/Welding Specialist:	130	\$/hr.	No surveying or soils testing			
Administration:	85	\$/hr.	No roof replacement specification			
Mileage:	0.75	\$/mi	No pavement removal or replacement spec.			

**AGREEMENT FOR CONSULTANT SERVICES
(Rehabilitation of Water Tanks)**

This AGREEMENT FOR CONSULTANT SERVICES (“Agreement”) is made and effective as of August, 2021, between **ADVANTAGE TECHNICAL SERVICES, INC.** (“Consultant”), and the **MISSION HILLS COMMUNITY SERVICES DISTRICT**, a political subdivision of the State of California (“District”). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. **TERM**

This Agreement shall commence on August ____, 2021 and shall remain and continue in effect until the services and tasks set forth in Consultant’s Proposal (the “Proposal”) have been completed, unless sooner terminated pursuant to the provisions of this Agreement.

2. **SERVICES**

Consultant shall perform the tasks described in and comply with all terms and provisions set forth in Consultant’s Proposal for Rehabilitation of Mission Hills CSD’s Water Storage Tanks dated July 7, 2021, which Proposal is attached hereto as Exhibit “A,” and incorporated herein by this reference.

3. **PERFORMANCE**

Consultant shall at all times faithfully, competently and to the best of his/her ability, experience and talent, perform all tasks described herein. Consultant shall employ, at a minimum generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

4. **AGREEMENT ADMINISTRATION**

District’s General Manager, Jerry Gruber, shall represent District in all matters pertaining to the administration of this Agreement. William Bellis shall represent Consultant in all matters pertaining to the administration of this Agreement.

5. **PAYMENT**

The District agrees to pay the Consultant an amount not to exceed \$56,627 for its service in accordance with the payment rates and terms set forth in Exhibit “A,” in monthly progress payments based on time spent on each task.

6. **SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE**

(a) The District may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the District suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the District shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the District. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the District pursuant to Section 5.

7. **TERMINATION ON OCCURRENCE OF STATED EVENTS**

This Agreement shall terminate automatically on the occurrence of any of the following events:

- (a) Bankruptcy or insolvency of any party;
- (b) Sale of Consultant's business;
- (c) Assignment of this Agreement by Consultant without the consent of District; or
- (d) End of the Agreement term specified in Section 1.

8. **DEFAULT OF CONSULTANT**

(a) The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, District shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to the Consultant. If such failure by the Consultant to make progress in the performance of work hereunder arises out of causes beyond the Consultant's control, and without fault or negligence of the Consultant, it shall not be considered a default.

(b) If the District Manager or his/her delegate determines that the Consultant is in default in the performance of any of the terms or conditions of this Agreement, he/she shall cause to be served upon the Consultant a written notice of the default. The Consultant shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the District shall have the right,

notwithstanding any other provision of this Agreement to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

9. **LAWS TO BE OBSERVED.** Consultant shall:

(a) Procure all permits and licenses, pay all charges and fees, and give all notices which may be necessary and incidental to the due and lawful prosecution of the services to be performed by Consultant under this Agreement;

(b) Keep itself fully informed of all existing and proposed federal, state and local laws, ordinances, regulations, orders, and decrees which may affect those engaged or employed under this Agreement, any materials used in Consultant's performance under this Agreement, or the conduct of the services under this Agreement;

(c) At all times observe and comply with, and cause all of its employees to observe and comply with all of said laws, ordinances, regulations, orders, and decrees mentioned above;

(d) Immediately report to the District's General Manager in writing any discrepancy or inconsistency it discovers in said laws, ordinances, regulations, orders, and decrees mentioned above in relation to any plans, drawings, specifications, or provisions of this Agreement; and

(e) The District, and its officers, agents and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

10. **OWNERSHIP OF DOCUMENTS**

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by District that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of District or its designees at reasonable times to such books and records; shall give District the right to examine and audit said books and records; shall permit District to make transcripts therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to

be performed pursuant to this Agreement shall become the sole property of the District and may be used, reused, or otherwise disposed of by the District without the permission of the Consultant. With respect to computer files, Consultant shall make available to the District, at the Consultant's office and upon reasonable written request by the District, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files.

11. **INDEMNIFICATION**

(a) Indemnification for Professional Liability. When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless District and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or subcontractors (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this agreement.

(b) Indemnification for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless District, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

(c) General Indemnification Provisions. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this agreement. In the event Consultant fails to obtain such indemnity obligations from others as required here, Consultant agrees to be fully responsible according to the terms of this section. Failure of District to monitor compliance with these requirements imposes no additional obligations on District and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend District as set forth here is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this agreement or this section.

(d) Indemnification for Design Professional Services. Notwithstanding anything herein to the contrary, to the fullest extent permitted by law for all design professional services arising under this Agreement, Consultant shall indemnify, protect, defend and hold harmless District and any and all of its officials, employees and agents

("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs which arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

12. **INSURANCE**

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit "B," attached hereto and incorporated herein as though set forth in full.

13. **INDEPENDENT CONSULTANT**

(a) Consultant is and shall at all times remain as to the District a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither District nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the District. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against District, or bind District in any manner.

(b) No employee benefits shall be available to Consultant in connection with performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, District shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for District. District shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

14. **UNDUE INFLUENCE**

Consultant declares and warrants that no undue influence or pressure was or is used against or in concert with any officer or employee of the Mission Hills Community Services District in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the Mission Hills Community Services District will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the District to any and all remedies at law or in equity.

15. **NO BENEFIT TO ARISE TO LOCAL EMPLOYEES**

No member, officer, or employee of District, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the project performed under this Agreement.

16. **RELEASE OF INFORMATION/CONFLICTS OF INTEREST**

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without District's prior written authorization. Consultant, its officers, employees, agents, or subcontractors, shall not without written authorization from the General Manager or unless requested by the District Counsel, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the District. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives District notice of such court order or subpoena.

(b) Consultant shall promptly notify District should Consultant, its officers, employees, agents, or subContractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the District. District retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding. Consultant agrees to cooperate fully with District and to provide the opportunity to review any response to discovery requests provided by Consultant. However, District's right to review any such response does not imply or mean the right by District to control, direct, or rewrite said response.

17. **NOTICES**

Any notice which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To District: Jerry Gruber, General Manager
Mission Hills Community Services District
1550 Burton Mesa Blvd
Lompoc, CA 93436

Copy to: Timothy J. Carmel
Carmel & Naccasha, LLP
694 Santa Rosa Street
San Luis Obispo, CA 93401

To Consultant: Advantage Technical Services, Inc.
6661 Fern Canyon Road
San Luis Obispo, CA 93401

18. **ASSIGNMENT**

The Consultant shall not assign the performance of this Agreement, nor any part thereof, without the prior written consent of the District.

19. **GOVERNING LAW**

The District and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the superior or federal district court with jurisdiction over the Mission Hills Community Services District.

20. **ENTIRE AGREEMENT**

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

21. **TIME**

District and Consultant agree that time is of the essence in this Agreement.

22. **CONTENTS OF PROPOSAL**

Consultant is bound by the contents of the Proposal submitted by the Consultant, Exhibit "A," attached hereto and previously incorporated herein.

23. **CONSTRUCTION**

The parties agree that each has had an opportunity to have their counsel review this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments or exhibits thereto. The captions of the sections are for convenience and reference only, and are not intended to be construed to define or limit the provisions to which they relate.

24. **AMENDMENTS**

Amendments to this Agreement shall be in writing and shall be made only with the mutual written consent of all of the parties to this Agreement.

25. **AUTHORITY TO EXECUTE THIS AGREEMENT**

The person or persons executing this Agreement on behalf of Consultant warrants and represents that he/she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

MISSION HILLS COMMUNITY SERVICES DISTRICT

ADVANTAGE TECHNICAL SERVICES, INC.

By: _____
Jerry Gruber, General Manager

By: _____
William D. Bellis, Principal

ATTEST:

Lupe Huitron, Board Secretary

Approved As To Form:

Timothy J. Carmel, District Counsel

EXHIBIT A

CONSULTANT'S PROPOSAL AND FEE ESTIMATE

EXHIBIT B

INSURANCE REQUIREMENTS

Prior to the beginning of and throughout the duration of the Work, Consultant will maintain insurance in conformance with the requirements set forth below. Consultant will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Consultant agrees to amend, supplement or endorse the existing coverage to do so. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to District in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to District.

Consultant shall provide the following types and amounts of insurance:

Commercial General Liability Insurance using Insurance Services Office "Commercial General Liability" policy from CG 00 01 or the equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Business Auto Coverage on ISO Business Auto Coverage from CA 00 01 including symbol 1 (Any Auto) or the equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Consultant owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Consultant or Consultant's employees will use personal autos in any way on this project, Consultant shall provide evidence of personal auto liability coverage for each such person.

Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000 per accident or disease.

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designated to protect against acts, errors or omissions of the Consultant and "Covered Professional Services" as designated in the policy must specifically include work performed under this agreement. The policy limit shall be no less than \$1,000,000 per claim and in the aggregate. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend the insured. The policy retroactive date shall be on or before the effective date of this agreement.

Insurance procured pursuant to these requirements shall be written by insurer that are admitted carriers in the state California and with an A.M. Bests rating of A- or better and a minimum financial size VII.

General conditions pertaining to provision of insurance coverage by Consultant. Consultant and District agree to the following with respect to insurance provided by Consultant:

1. Consultant agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds District, its officials employees and agents, using standard ISO endorsement No. CG 2010 with an edition prior to 1992 or current equivalent. Consultant also agrees to require all consultants, and subcontractors to do likewise.

2. No liability insurance coverage provided to comply with this Agreement shall prohibit Consultant, or Consultant's employees, or agents, from waiving the right of subrogation prior to a loss. Consultant agrees to waive subrogation rights against District regardless of the applicability of any insurance proceeds, and to require all Consultants and subcontractors to do likewise.

3. All insurance coverage and limits provided by Consultant and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the District or its operations limits the application of such insurance coverage.

4. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to District and approved of in writing.

5. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any Consultant or subcontractor.

6. All coverage types and limits required are subject to approval, modification and additional requirements by the District, as the need arises. Consultant shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect District's protection without District's prior written consent.

7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Consultant's general liability policy, shall be delivered to District at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, District has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other

agreement and to pay the premium. Any premium so paid by District shall be charged to and promptly paid by Consultant or deducted from sums due Consultant, at District option.

8. Certificate(s) are to reflect that the insurer will provide 30 days notice to District of any cancellation of coverage. Consultant agrees to require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, or that any party will “endeavor” (as opposed to being required) to comply with the requirements of the certificate.

9. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by Consultant or any subcontractor, is intended to apply first and on a primary, noncontributing basis in relation to any other insurance or self insurance available to District.

10. Consultant agrees to ensure that subcontractors, and any other party involved with the project that is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the project will be submitted to District for review.

11. Consultant agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any Consultant, subcontractor, Architect, Engineer or other entity or person in any way involved in the performance of work on the project contemplated by this agreement to self-insure its obligations to District. If Consultant’s existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the District. At the time the District shall review options with the Consultant, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.

12. The District reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the District will negotiate additional compensation proportional to the increase benefit to District.

13. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.

14. Consultant acknowledges and agrees that any actual or alleged failure on the part of District to inform Consultant of non-compliance with any insurance

requirements in no way imposes any additional obligations on District nor does it waive any rights hereunder in this or any other regard.

15. Consultant will renew the required coverage annually as long as District, or its employees or agents face an exposure from operations of any type pursuant to this agreement. This obligation applies whether or not the agreement is canceled or terminated for any reason. Termination of this obligation is not effective until District executes a written statement to that effect.

16. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Consultant's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to District within five days of the expiration of the coverages.

17. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to District, its employees, officials and agents.

18. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.

19. These insurance requirements are intended to be separate and distinct from any other provision in this Agreement and are intended by the parties here to be interpreted as such.

20. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.

21. Consultant agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge District or Consultant for the cost of additional insurance coverage required by this agreement. Any such provisions are to be deleted with reference to District. It is not the intent of District to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against District for payment of premiums or other amounts with respect thereto.

22. Consultant agrees to provide immediate notice to District of any claim or loss against Consultant arising out of the work performed under this agreement. District assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve District.

**DIVE INSPECTION REPORT FOR
MISSION HILLS COMMUNITY SERVICE DISTRICT'S
EAST WATER TANK
MAY 17TH, 2021**



Advantage Technical Services, Inc.
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**DIVE INSPECTION REPORT FOR
MISSION HILLS COMMUNITY SERVICE DISTRICT'S
EAST WATER TANK**

MAY 17TH, 2021

REVISION DATE: N/A

Pursuant to the American Water Works Association's Manual of Water Supply Practices, Steel Water-Storage Tanks, M42 and California Business and Professions Code section 6735, the engineering report contained herein has been prepared by or under the direction of the following Registered Engineer:

**ADVANTAGE TECHNICAL SERVICES, INC.
6661 FERN CANYON LANE
SAN LUIS OBISPO, CA 93401
805-595-2282**

**UNDER THE SUPERVISION OF:
WILLIAM D. BELLIS, P.E.**



Registered Civil Engineer, CA C55334



EXECUTIVE SUMMARY

Advantage Technical Services, Inc. (ATS) inspected the Mission Hills Community Service District's East Tank on May 17th, 2021. The tank interior was inspected above and below the water line using sanitary diving procedures. The exterior was inspected from the ground and the roof. The following is a summary of what appear to be the most significant elements:

1. Serious corrosion and metal loss are present on the exterior roof due to poor roof drainage and resulting ponding of water.
2. The roof hatch hinge is detached and the hatch cannot be locked to prevent unauthorized access.
3. The guardrail, exterior ladder and ladder cage have safety deficiencies, broken welds, corrosion damage and do not meet regulatory requirements.
4. Coatings on the interior are in good condition overall and are protecting the steel from corrosion. The two locations of concentrated corrosion on the interior bottom were repaired by ATS.

SCOPE, OBJECTIVE, AND LIMITATIONS

An inspection was completed on the interior and exterior of the steel potable water storage reservoir. Principle Inspector/Engineer, Will Bellis, P.E. and ATS associates provided the tank inspection.

ATS personnel completed a preliminary inspection for safe access with particular attention to work from the elevated location and the confined space. It was determined that the existing roof fall protection does not meet OSHA regulatory requirements. Our on-site Engineer determined the acceptability of temporary fall protection anchor points, temporary tie-backs and confirmed the applicability of our standard procedures for mitigating the risks. The temporary protection equipment is part of ATS tooling and is not appropriate for permanent installation so it was removed upon completion of this work.

ATS divers have experience and certifications that meet or exceed the requirements of the American Water Works Association Manual of Water Supply Practices, Steel Water-Storage Tanks, M42, AWWA C652 Standard for Disinfection of Water Storage Facilities and OSHA regulations for technical or commercial diving. Additionally, our team's certifications or licenses include a Registered Professional Engineer, API 653 Tank Inspector, AWS Certified Welding Inspector, National Association of Corrosion Engineers Level III Coating Inspector, and American Society of Nondestructive Testing Level III Engineer. With these applicable credentials and combined experience of over five hundred tank dive inspections our team leads the industry.

The diver's air supply is supplied by air hoses from the surface using either a dive compressor or bottled air. The diver's air supply system offers triple redundancy; including a self-contained system maintained in the diver's possession and control. A full-time communication system supports documentation of findings and operational or emergency communications.

All disinfection procedures are in accordance with the American Water Works Association Standard for Disinfection of Water-Storage Facilities (ANSI/AWWA C652-11).

The photographs provided within this report display representative views and subsequent analysis. Digital video, also included, provides additional documentation of the conditions.

The observations made during the inspection, and included in this report, provide a reasonable evaluation of the tank conditions at the time of the inspection. Considerations of safe access and reasonable care were observed in making and reporting the observations. Latent defects or conditions found during subsequent cleaning, inspections, or other work at the tank must be brought to the Engineer's or Owner's attention.

OBSERVATIONS

General Tank Data

Type: Welded steel reservoir
Capacity: 800,000 gallons
Media stored: Potable water
Diameter: 76 feet
Shell height: 24 feet
Approximate water level during inspection: 20 feet

Foundation

Asphalt concrete pavement covers the lower shell and prevents access to the foundation.

Exterior Shell

Coatings are aged and there are numerous areas where the green colored coating is peeling away from the painted steel below. No significant corrosion is present on the visible areas of the exterior shell.

The lowest portion of shell and the very important weld to the bottom extension (chime) is hidden from view by the asphalt paving. A crack at the interface between the tank and the asphalt concrete paving indicates that the paving does not seal out water but does prevent access for coating and inspection.

Significant chalking is present. Chalking is the formation of friable, or easily removed powder, on the surface of the coating. The "powder" is evolved from the coating itself. The level of chalking helps define the amount of degradation and its presence affects the adhesion of top-coats. The ASTM D 4214 Standard Test Method for Evaluating the Degree of Chalking of Exterior Paint Films was used.

Exterior Roof

The exterior roof coating and steel are in poor condition. Serious corrosion is present at areas where drainage is poor and ponding of rain and condensate causes long term exposure to moist conditions. The type of exterior coatings on this tank do not withstand submersion service. It is likely that areas of the worst corrosion have fully penetrated the roof plate.

Heavy chalking is present on all areas. Chalking is the formation of friable, or easily removed powder, on the surface of the coating. The “powder” is evolved from the coating itself. The level of chalking helps define the amount of degradation and its presence affects the adhesion of top-coats. The ASTM D 4214 Standard Test Method for Evaluating the Degree of Chalking of Exterior Paint Films was used.

Interior Bottom

Low density-fine-dark brown sediment was scattered over 100% of the bottom area. The sediment depth was approximately 1/8”.

The coatings and plate were found to be in good condition. Two locations of concentrated corrosion were present near the interior ladder. The locations were prepared by hand tools to remove the loose rust and paint. After preparation, a coat of NSF 61 approved, 100% solids epoxy was applied. Coating application on rusted surfaces in submersed conditions are not ideal but these repairs will help prevent corrosion and increase the life of the tank.

Interior Shell

The interior plate was found to be in good condition. A few locations of minor corrosion are present along but no significant corrosion or metal loss was noted.

Interior Roof Plate

The interior roof plate is in fair to good condition. Coatings appear to be protecting the roof plate overall. No significant corrosion is apparent.

Roof Structure

The roof structure coatings are in good condition overall but there are scattered areas of corrosion. The most significant corrosion on the roof structure appears to be the tops of the rafters particularly near the center support. Corrosion rates are typically high in this area of a tank.

The steel of the rafters and girders are in poor condition due to significant metal loss from corrosion that occurred prior to the application of the present coating system. The sharp edges created by the previous corrosion are where corrosion is starting to reoccur. The sharp uneven edges will significantly reduce the coating life of this and future coating systems.

Appurtenances

Exterior Ladder and Cage: The ladder and ladder safety device do not extend to the ground as required by OSHA regulations. The ladder safety device has been painted and this is not in compliance with typical manufacturer requirements. The ladder cage is in poor condition due to corrosion and broken welds. Razor wire attached to the ladder cage prevents the use of the cage without risk of injury.

Roof Fall Protection: Fall protection cables are present and in good condition. Provide periodic inspection by a qualified person to assure that the cables are in appropriate condition to perform fall prevention.

Roof Guardrail: Guardrail is provided at roof hatch area. No guardrail is provided for other areas of the roof edge. The guardrail is in poor condition due to corrosion damage and the ladder opening is unprotected. Personnel accessing the roof are required to be tied-off.

Roof Hatch: One square roof hatch is located at the top of the interior ladder. The hatch is in poor condition. The hinge on the cover to the hatch is broken so the hatch is detached and not lockable.

Internal Ladder: The internal ladder is in good condition. Some minor areas of corrosion are present.

Overflow: The visible exterior of the overflow pipe appears to be in good condition. The interior shell mounted weir box appears to be in good condition. The water level was too low to access and view the interior of the weir box.

Inlet/Outlet: The inlet/outlet shell nozzle is in good overall condition with staining and minor corrosion. The design does not appear to have significant flexibility for seismically induced movement.

Drain: The two bottom drains are in good overall condition but staining and minor corrosion are present.

Roof Vent: The roof vent and outer bird screen are in good condition. The inner fine screen was not accessible but it appears that adjustment may be necessary to achieve bug tightness.

Manways: Two round multi-bolt manways are present. The manways are in good condition overall on the interior and exterior. Significant corrosion is present on the sample tap penetration and minor corrosion was present on other areas.

ENVIRONMENT AND OPERATING CONDITIONS

This tank is located in a remote area with an adjacent tank but no other buildings and equipment.

The tank site conditions are typical for California coastal areas with regular fog, dew and salts which significantly increase corrosion rates on exterior surfaces and interior vapor space.

RECOMMENDATIONS

The following recommendations are based on our experience as engineers and inspectors with regard to the best industry practices used by both public and private tank owners. The intent is to provide information that will likely help lower risks, optimize water quality and increase long term value for the tank owner(s). Our scope of work does not include a safety audit or evaluation but we are making recommendations where we have noted potential issues. The owner's insurance provider or safety consultant should be consulted for a review of the safety features of this facility where desired.

1. Provide repairs to the corrosion and coatings on the exterior roof as soon as possible to prevent additional metal loss and contamination of contents due to holes in the roof. Preparation for coating may uncover holes that already exist. Planning should include provisions for application of welded patches where corrosion has already penetrated the roof.
2. Confirm that the roof vent inner screen is bug tight or adjust as necessary to prevent contamination of the tank.
3. Repair the detached hinge on the roof hatch cover to prevent unauthorized access.
4. Consider removal of sample areas of the asphalt pavement at the base of the tank to allow inspection of the critical lower shell and shell to bottom weld. Future exterior coating application may necessitate removal of asphalt around the entire perimeter if moisture is accumulating on top of the chime.
5. Repair broken welds, corrosion damage on the ladder cage and guardrail to restore these safety features and conform to regulatory requirements. Remove or move razor wire away from the ladder cage to allow climbers to be near or grab the ladder cage without danger from the razor wire.
6. Install a horizontal opening ladder door with an integral cage cover to eliminate the risk created by the downward swinging cage cover. Extend the ladder and ladder safety device to the ground to meet regulatory requirements.
7. Spot repairs on the interior in areas like the center support, vent interior, girder and rafter flange edges will help control metal loss due to corrosion and extend the life of the tank. Interior repairs could be made with 100% solids, two part epoxy, such as AquataPoxy that is NSF61 approved and will cure in wet environments. Manufacturer's recommendations for preparation and application should be followed. ATS has completed this type of work using vacuum recovery preparation tools from a

floating work platform to lower impacts on operations. Disinfection and confined space procedures must be followed.

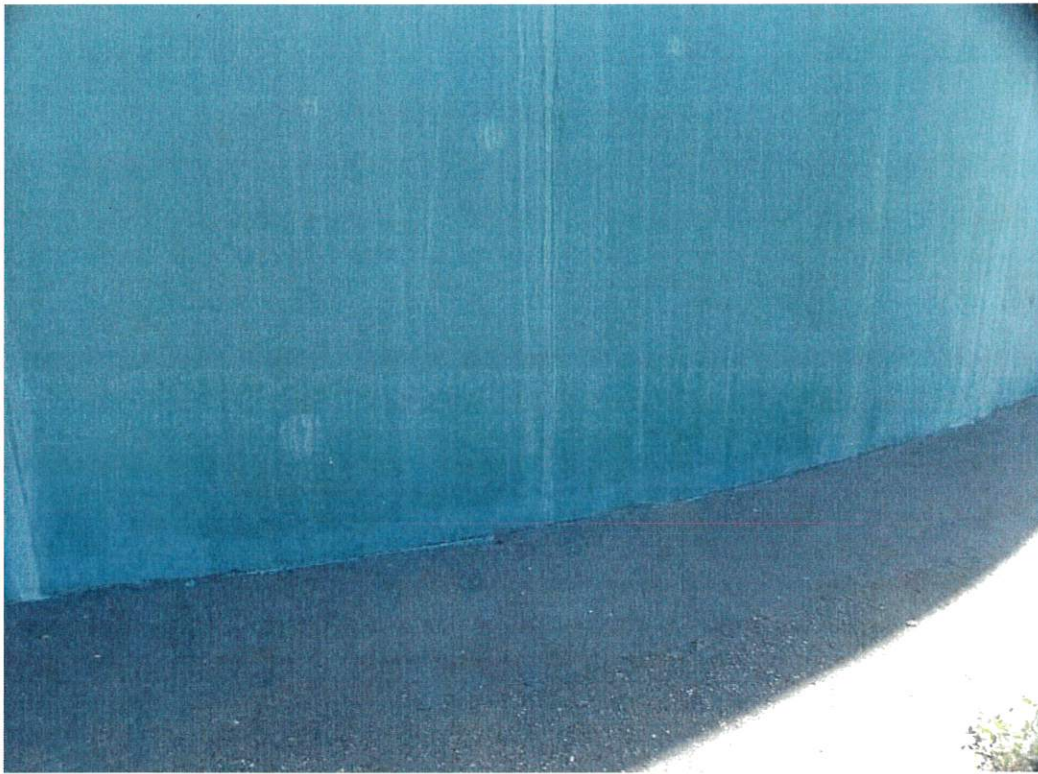
8. Consider a review of the seismic design of the tank prior to future rehabilitation work. This type of review would include updated engineering evaluations that could help lead to improving the potential for service after an earthquake. Updates include design to prevent shell failure, improved flexibility of piping connections and new recommendations for preventing roof damage from sloshing waves. ATS recommends consideration of the tank seismic use category such as post-earthquake fire suppression, post-earthquake recovery, or service to facilities that are important to the welfare of the public.
9. Provide annual inspections of the exposed side of the tank shell to bottom connection pursuant to AWWA D100-11. Weeds, dirt, and foreign materials should be removed from this area to eliminate or reduce trapped moisture and associated corrosion.
10. Continue to provide regular inspections. AWWA D100-11 Standard for Welded Steel Tanks Specifies inspection and corrective maintenance every three years. AWWA Manual of Water Supply Practices, M42, for Steel Water Storage Tanks (2013) states “the tank should be inspected at least once every 3 to 5 years or as required by state regulatory agencies”. M42 additionally states that “The results of the tank evaluation or pre-bid inspection should be certified by a professional engineer.”
11. As in the case of this work, combining the internal inspection with sediment removal will provide improved inspection conditions and help reduce disinfectant demand, microbial growth, disinfection by-product formation and turbidity.



Overall view of the tank.



Tank nameplate.



This view shows the lower shell and asphalt paving that covers the foundation and chime (tank bottom extension).



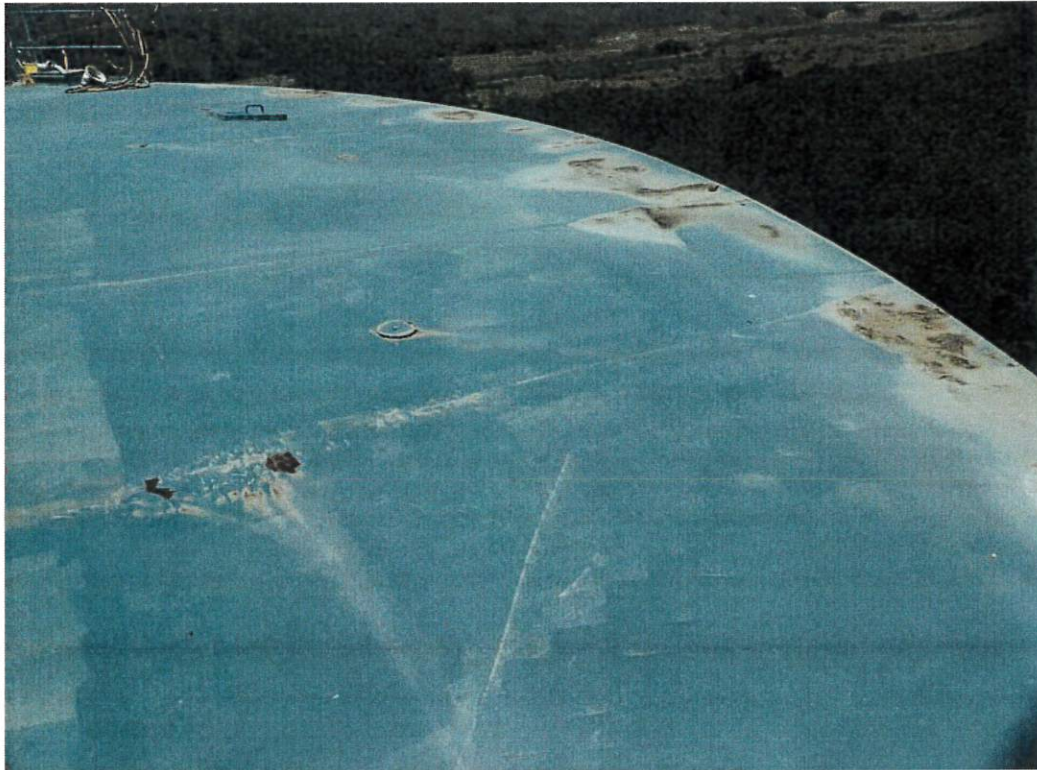
Another view of the lower shell. The arrow indicates a crack at the interface between the tank and the asphalt concrete paving. It appears that the paving does not seal out water but does prevent access for coating and inspection.



The upper shell and roof joint are shown in this photo. Significant chalking is present on the exterior. Chalking indicates that the coating is in poor condition due to aging and associated breakdown



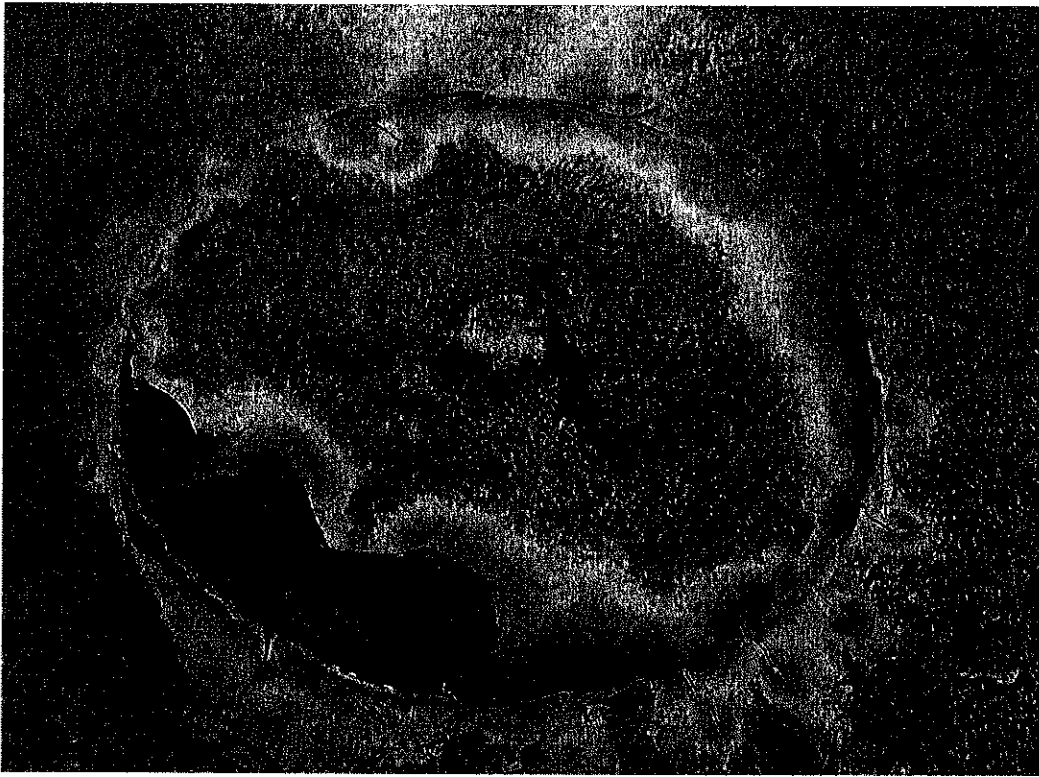
This close view shows an example of the green layer of paint peeling from the previous coating. Peeling is occurring in numerous locations on the exterior.



This view indicates the overall condition of the roof. Drainage is poor and water is ponding around the perimeter. Serious metal loss due to corrosion is at or near the point of causing holes in the roof.



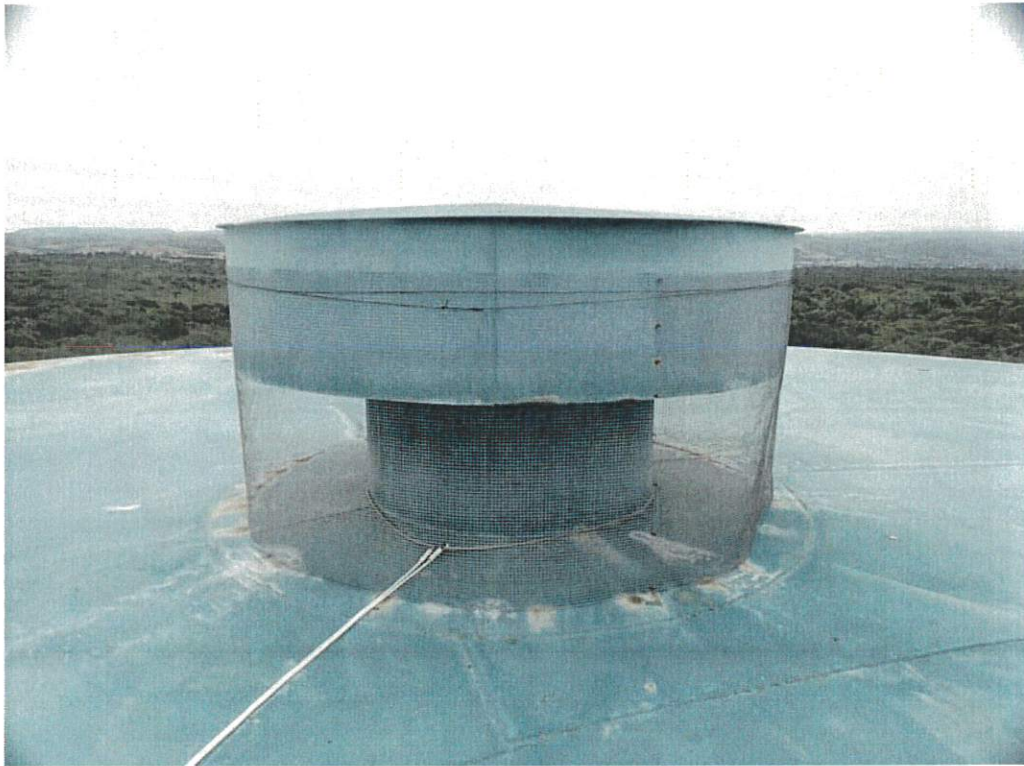
This closer view shows some of the serious corrosion at the roof's edge.



This view is of a hand hole cover on the roof. This is an area where risk of leakage is high.



This photo shows concentrated corrosion along a weld on the roof.



The roof vent consists of a steel cover over a steel riser pipe. The outer screen is an effective deterrent to bird nesting.



This view shows the vent screen, hardware and underside of the vent hood. It appears that the screen system may not be bug proof.



The photo above shows the roof hatch cover that is broken off.



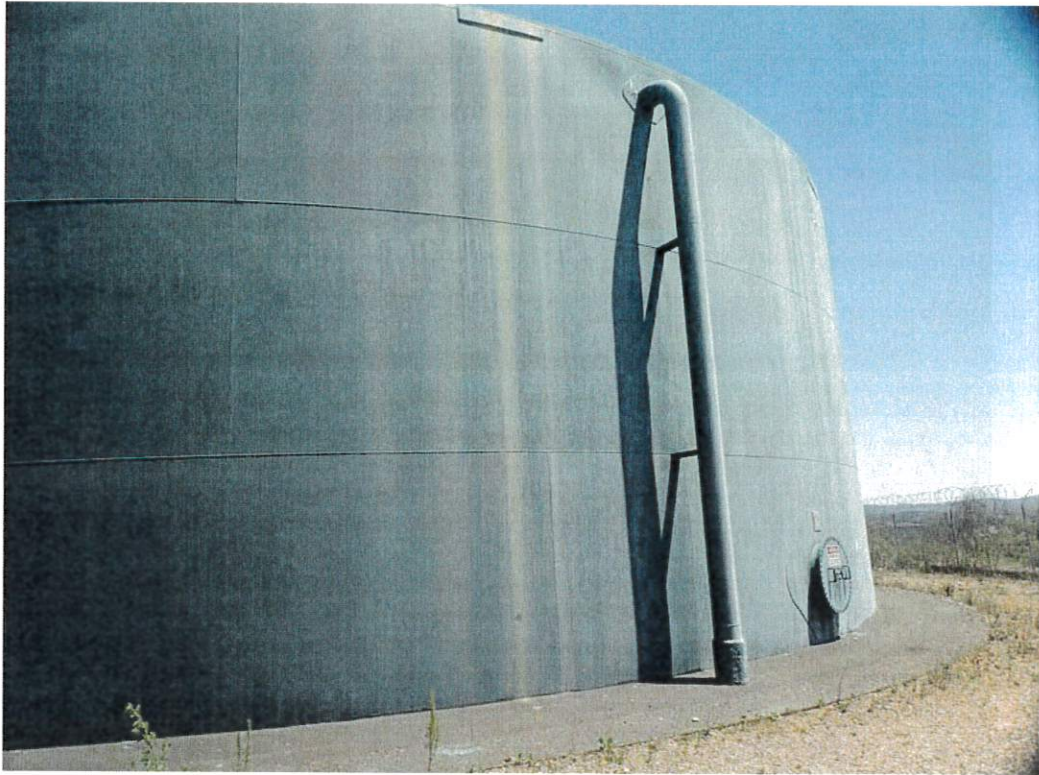
This photo of the roof guardrail on the south side of the ladder entry shows an example of the corrosion damage.



The photo above shows one of several locations on the ladder cage where welds are broken.



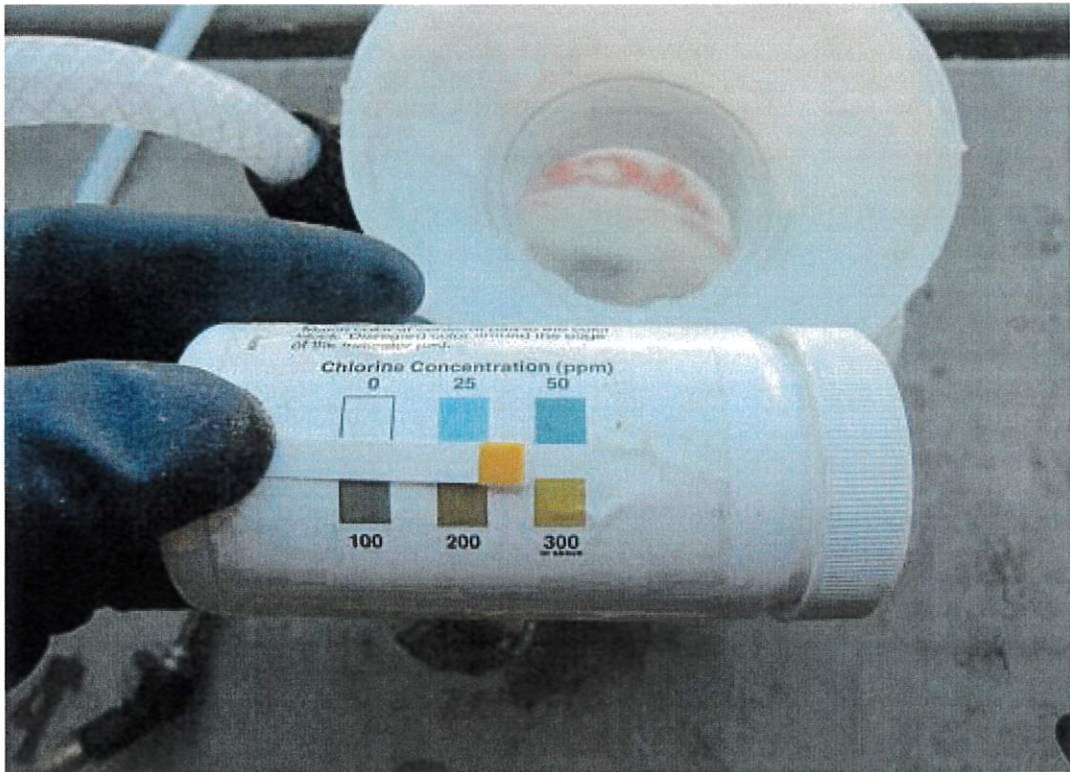
The downward swinging cage door, razor wire, lack of ladder to the ground and lack of ladder safety device to the ground may help prevent unauthorized access but they also increase hazards to authorized personnel.



The overflow piping is more rigid than allowed by current design standards.



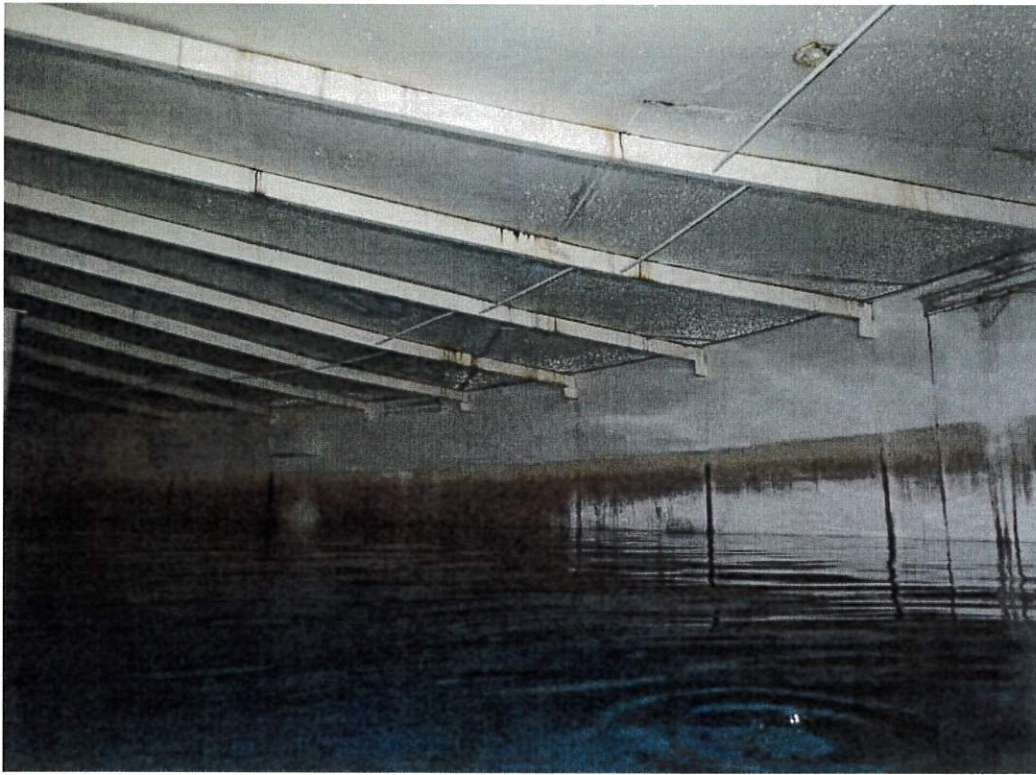
The inlet/outlet piping is more rigid than allowed by current design standards.



The disinfecting solution is tested to verify that it exceeds the 200 ppm free chlorine concentration level.



Diver and equipment are disinfected with the chlorine solution just prior to entry. This procedure is pursuant to AWWA disinfection standards for potable water diving (stock photo).



This view is representative of the conditions found on the interior shell, roof plate and rafter. The dark area on the shell is water line staining.



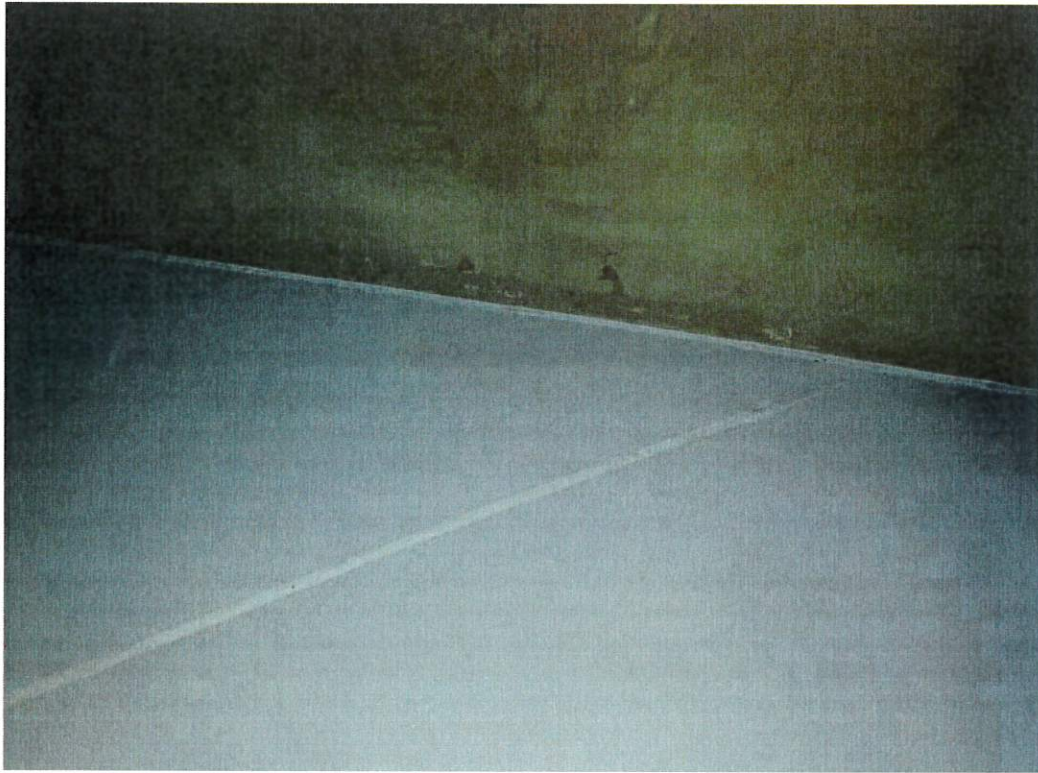
An additional view of the typical rafter and roof condition near the shell. The arrow shows a shell vent that has been welded closed. Scattered corrosion is present.



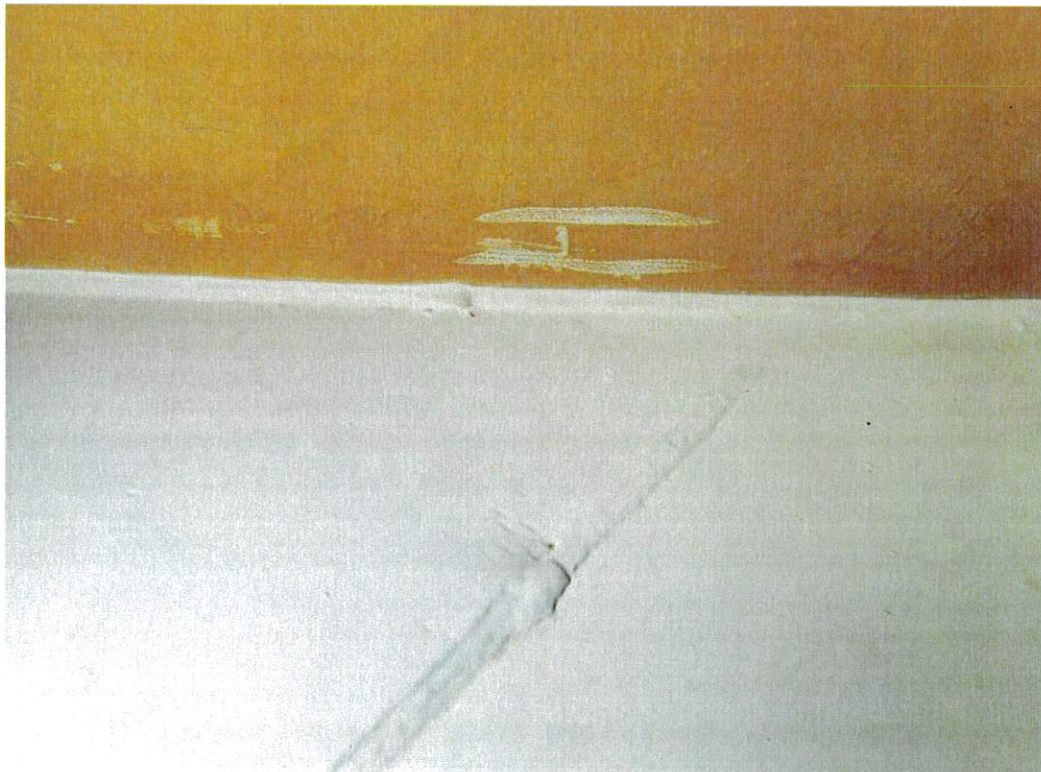
Upper shell just below the water line.



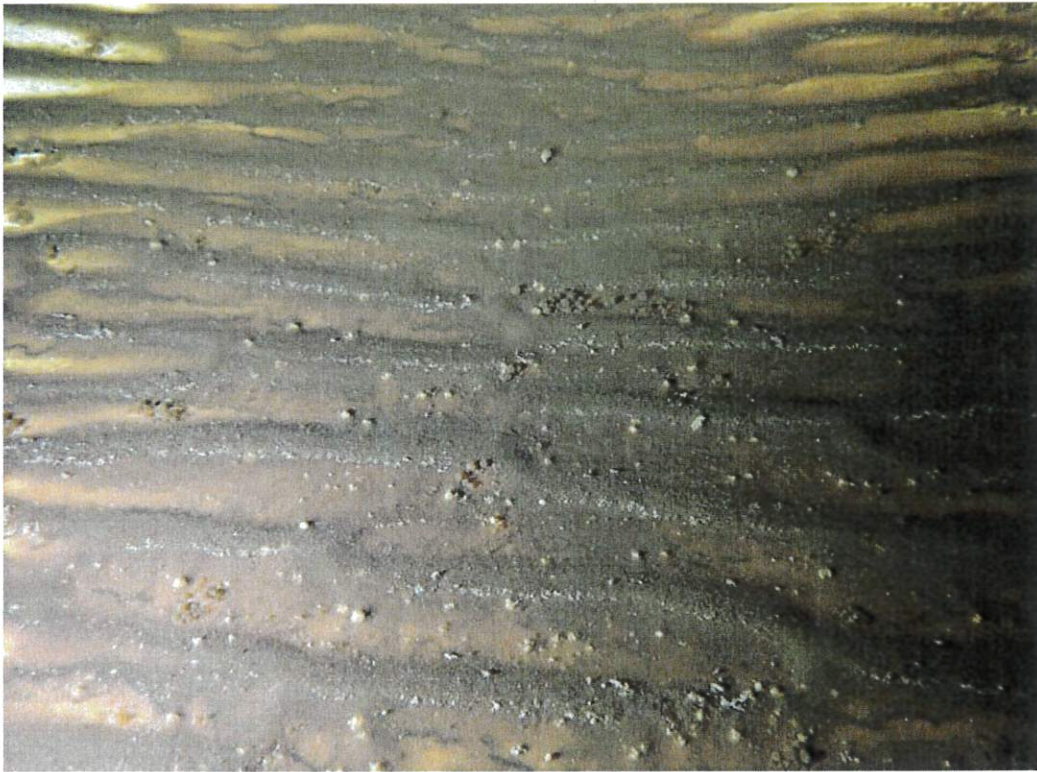
Interior shell in the submersion zone. This view shows a horizontal weld and vertical weld junction. The interior shell is in good condition.



Lower shell and tank bottom.



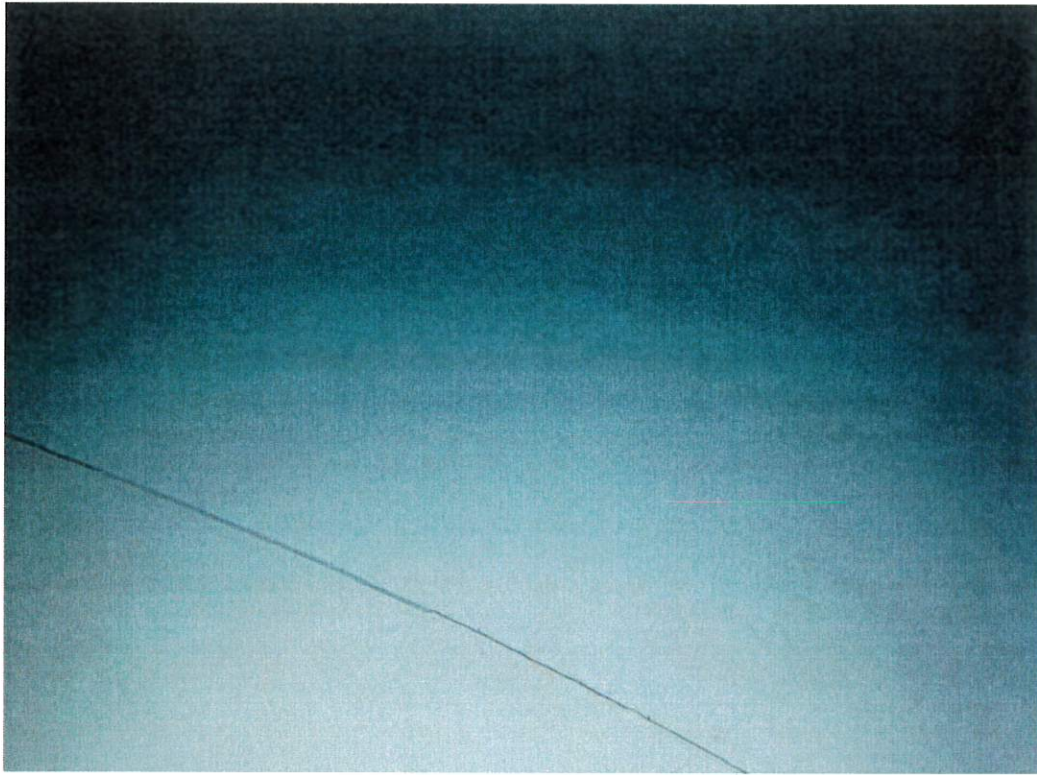
This photo provides a close view of the area shown in the top photo this page. Some minor scattered corrosion points are present but the coatings are preventing significant corrosion overall.



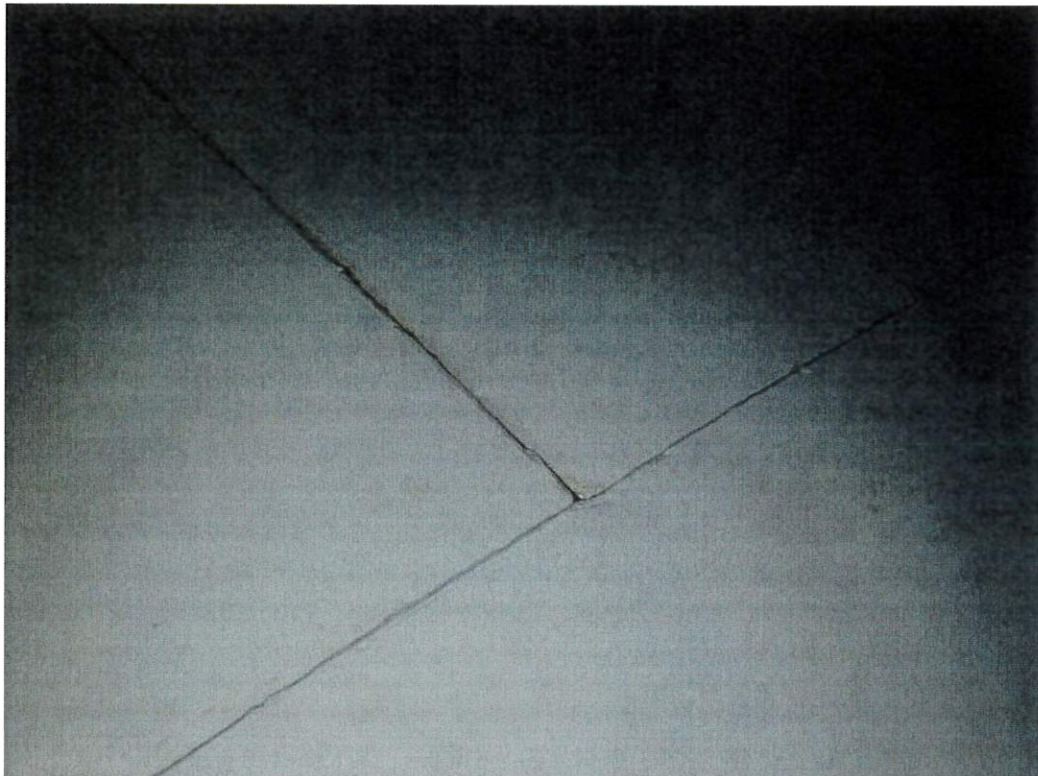
Interior bottom before sediment removal.



Interior bottom after sediment removal.



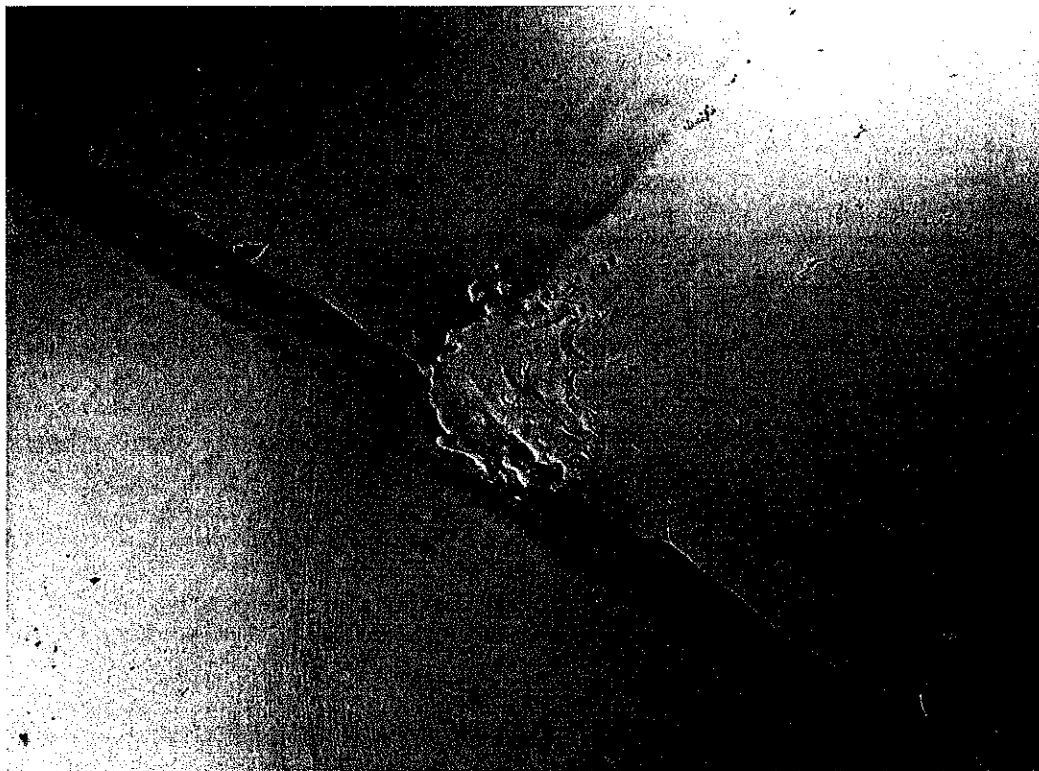
This photo shows the typical condition of the bottom after sediment removal.



Here is another view of the interior bottom. A junction of three bottom sheets is visible in this photo.



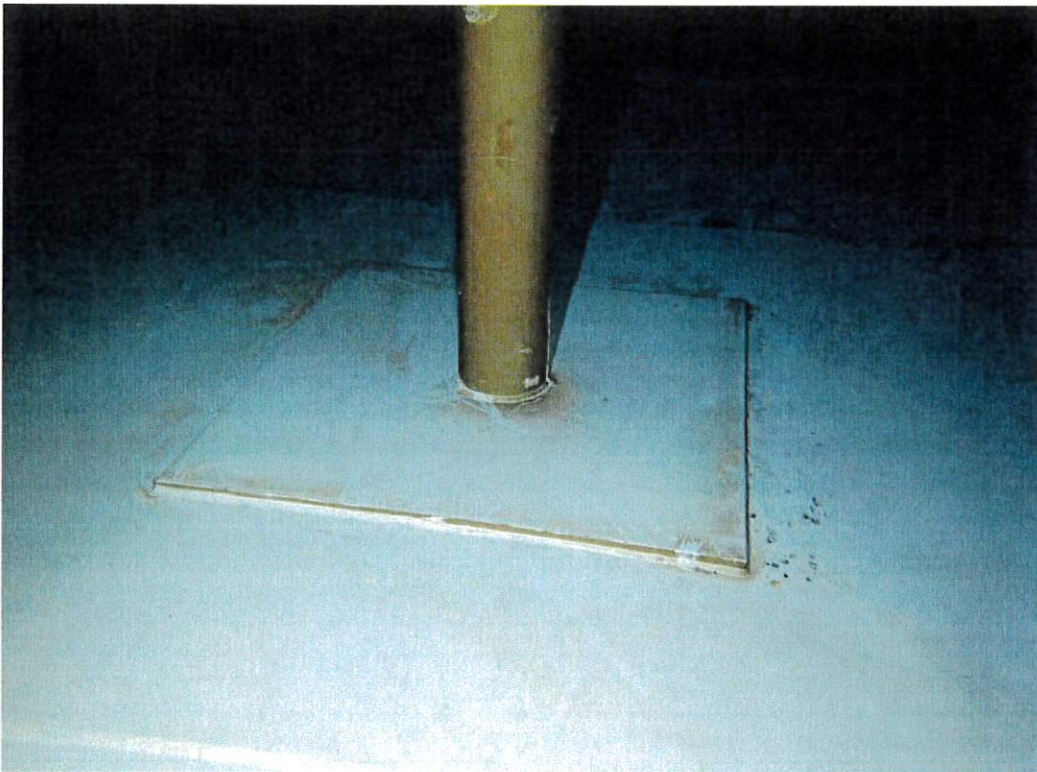
This photo shows one of the two significant corrosion points on the bottom near the interior ladder. Both spots were repaired by ATS.



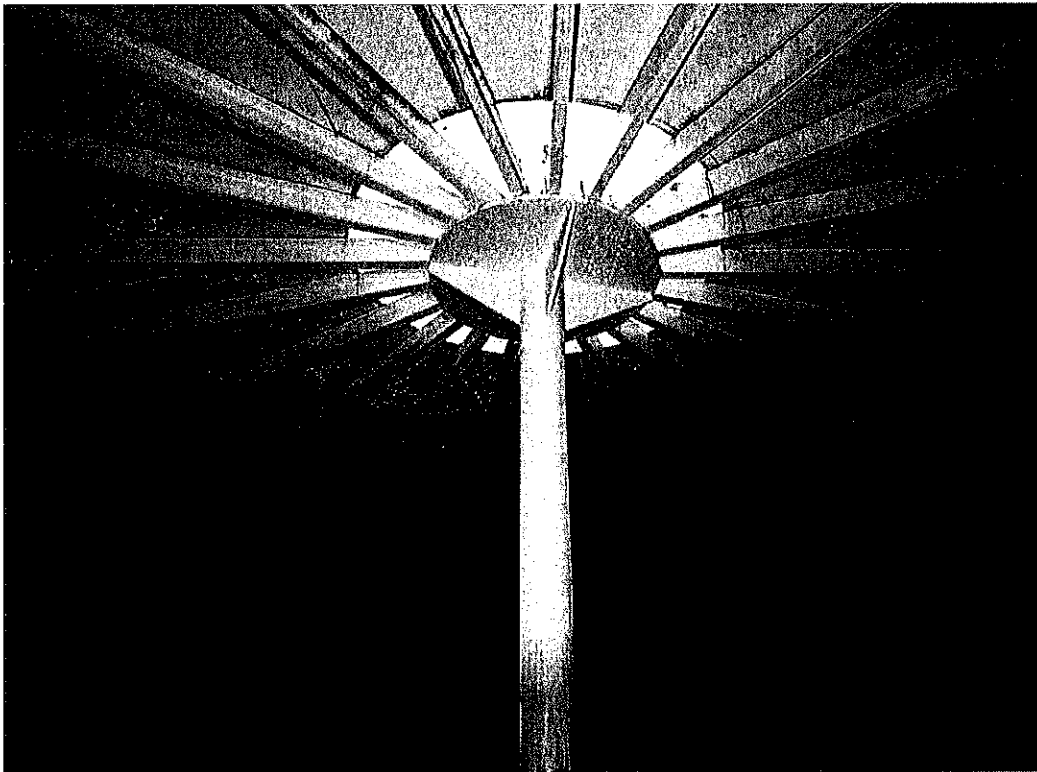
This is the same area as the photo at the top of this page after ATS prepared and coated the spot with NSF 61 approved epoxy.



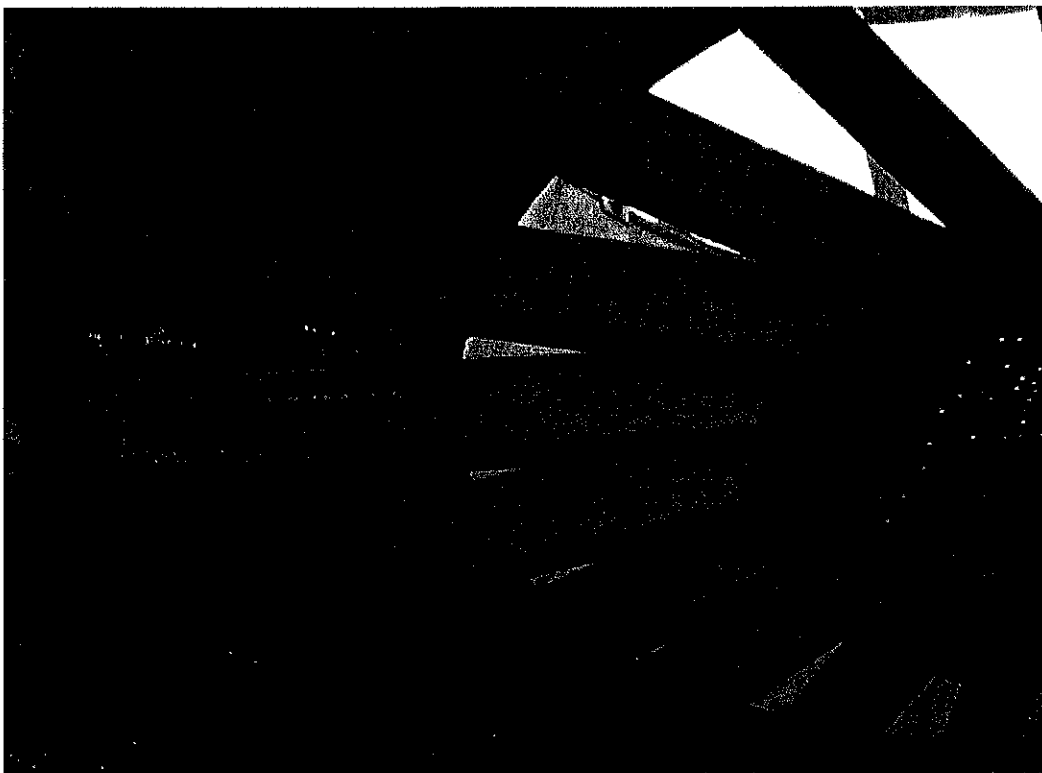
The photo of the center column represents the condition found on the lower surfaces.



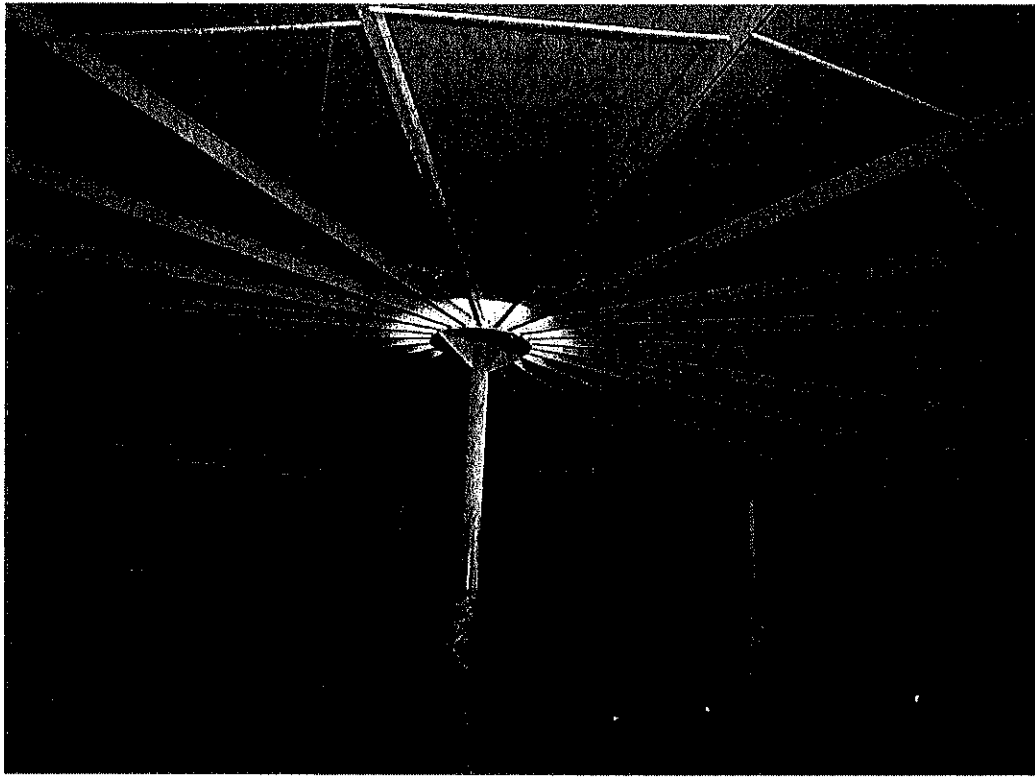
This view is of the lower portion of the center column and base plate after sediment removal.



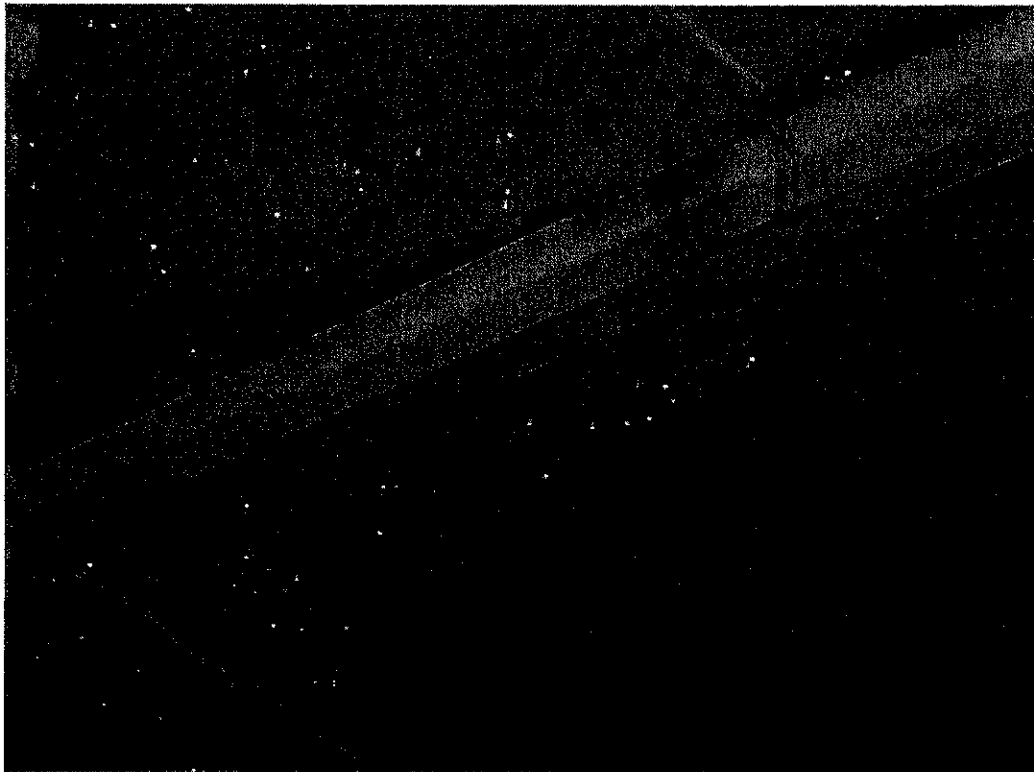
Roof support column, "dollar plate" and rafters.



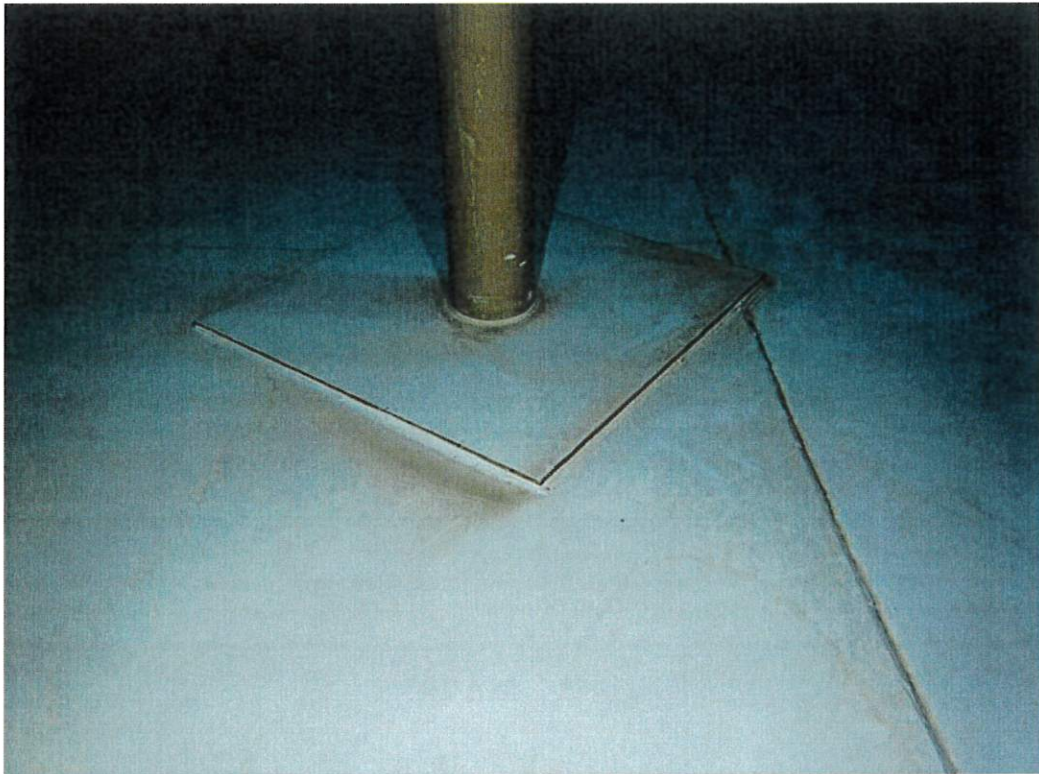
Close view of the center support and rafters. Some corrosion is visible on the rafters and heavy staining is coming from inaccessible areas.



Interior roof plate, rafters, intermediate columns and girders. Typical broad view.



Interior roof rafter with example of an area of the corrosion noted.



This is a typical view of an intermediate column and base plate. Coatings are in good condition.



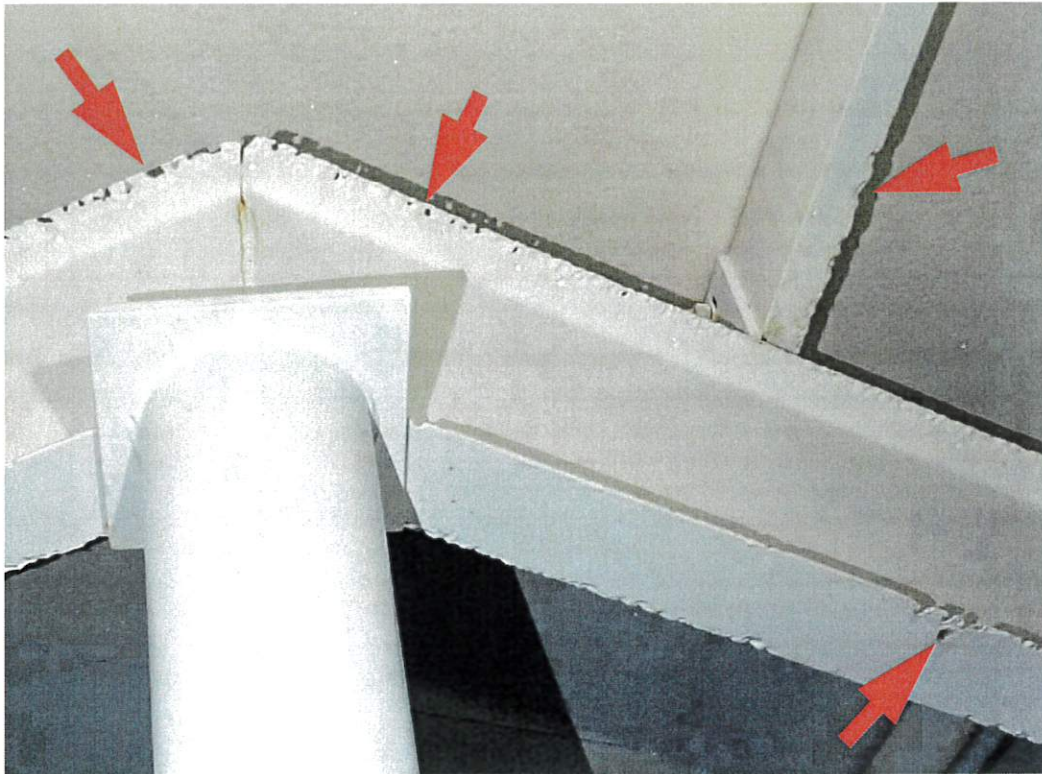
This is a typical view of an intermediate column looking upward near the surface. Some minor corrosion points are present.



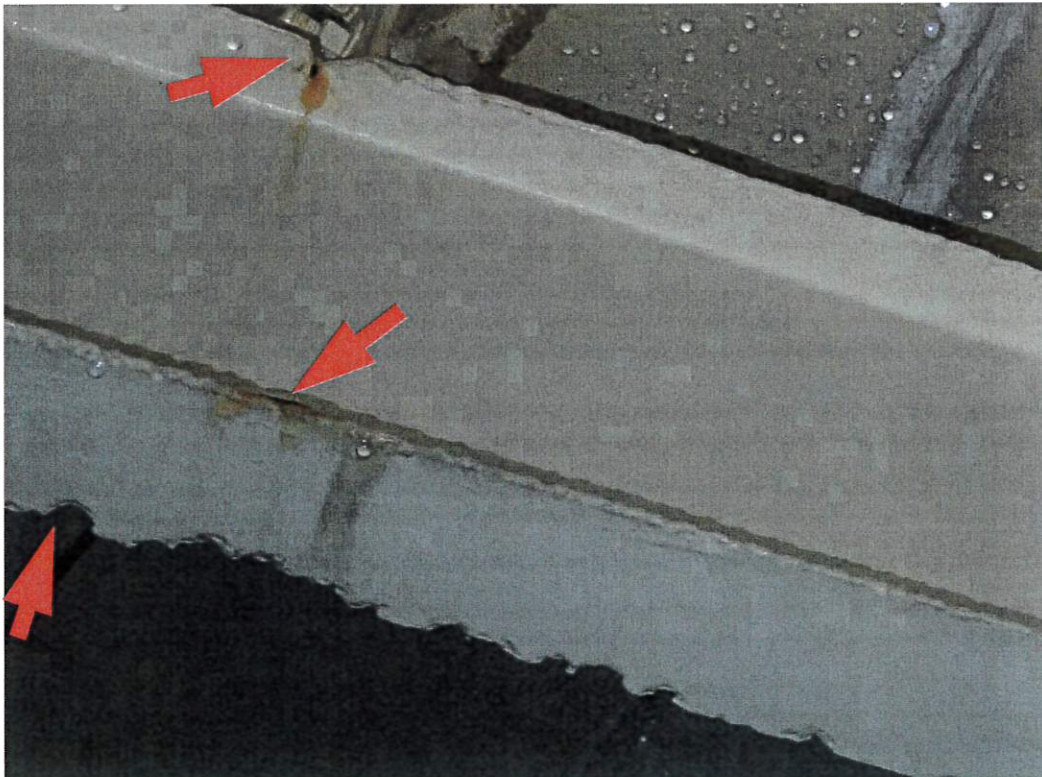
Interior roof plate, rafters, intermediate columns and girders. Typical broad view. Scattered corrosion locations are visible.



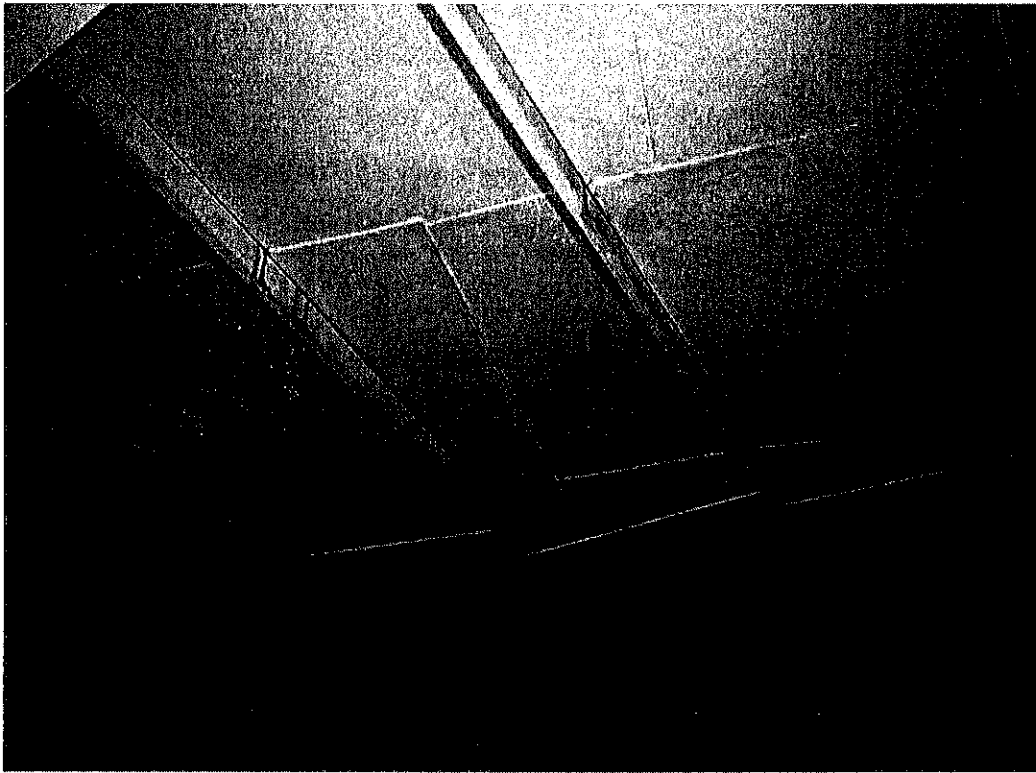
This photo shows a typical intermediate roof girder. Coatings are in good condition overall but corrosion staining is visible from inaccessible areas and significant metal loss is evident from prior to the application of this coating.



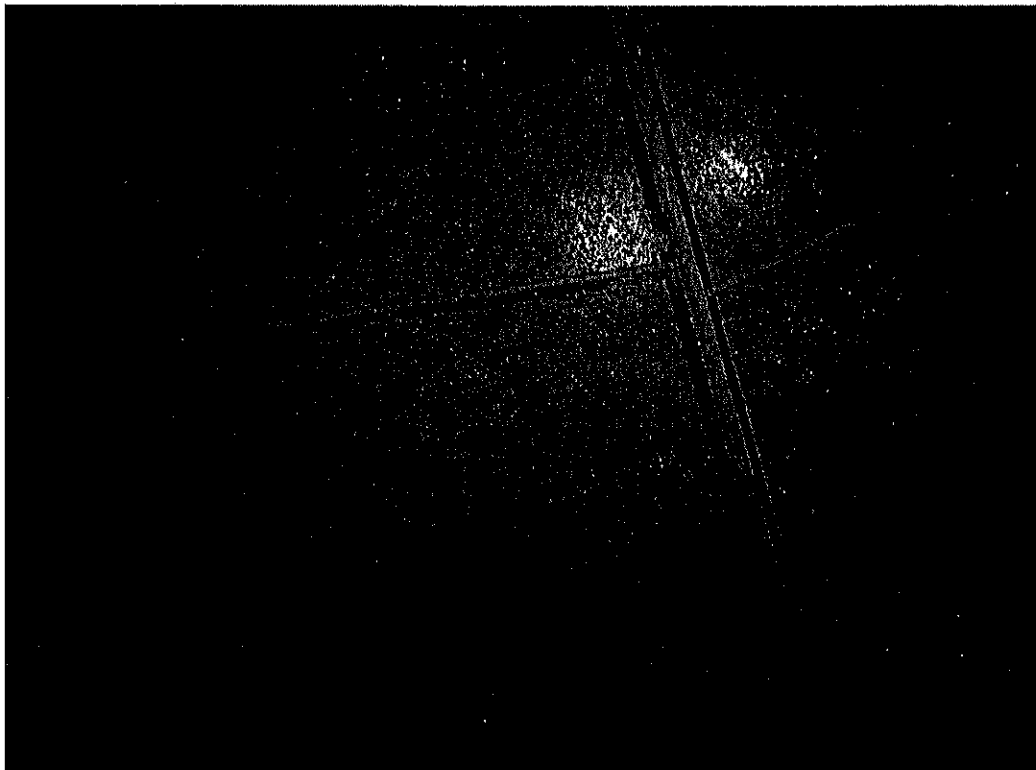
Roof girder, column and rafter with metal loss. Serious metal loss is visible from corrosion damage prior to the application of this coating.



Roof girder with metal loss. Corrosion is starting where serious metal loss from corrosion damage prior to the application of this coating caused challenging conditions.



Interior roof plate as viewed from the water surface.



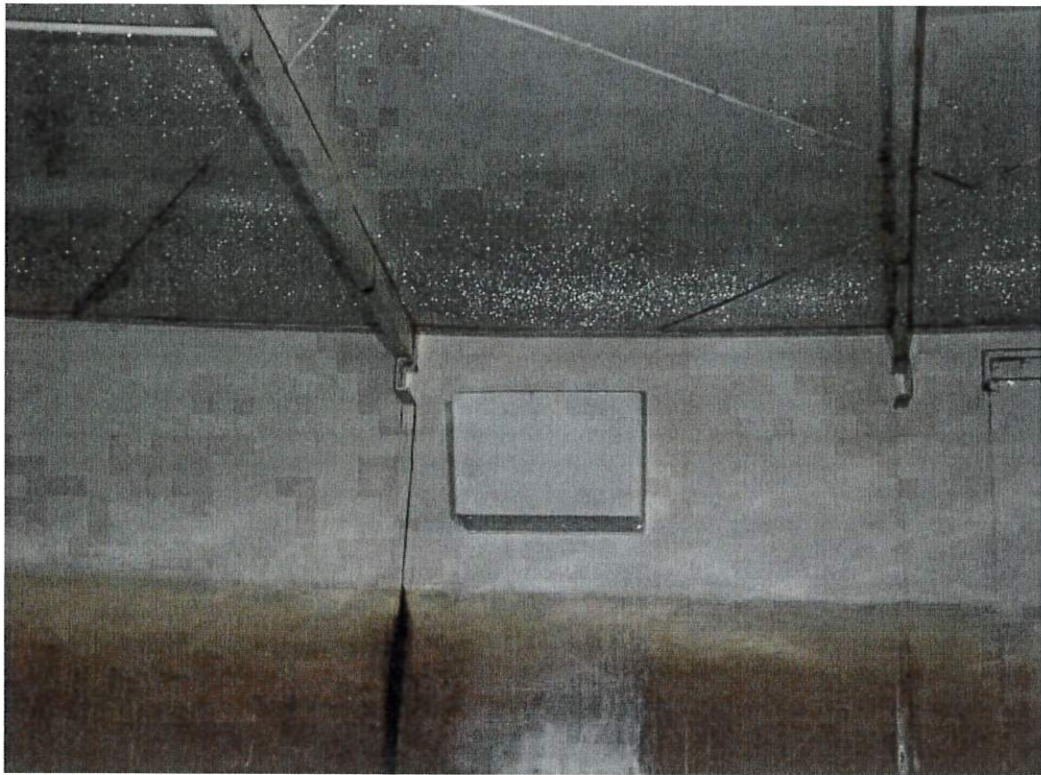
Roof plate and rafters as viewed from the water surface.



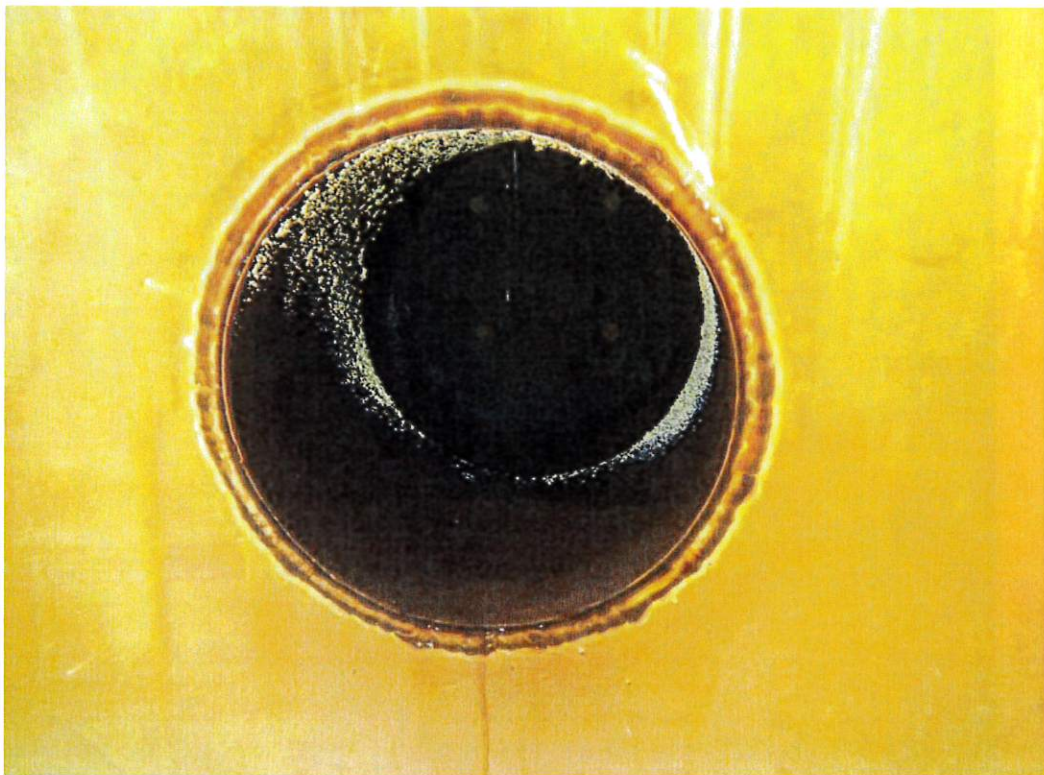
View of the roof hatch from the interior. The ladder is in good condition overall but some minor corrosion points are present.



This view shows the interior ladder below the surface.



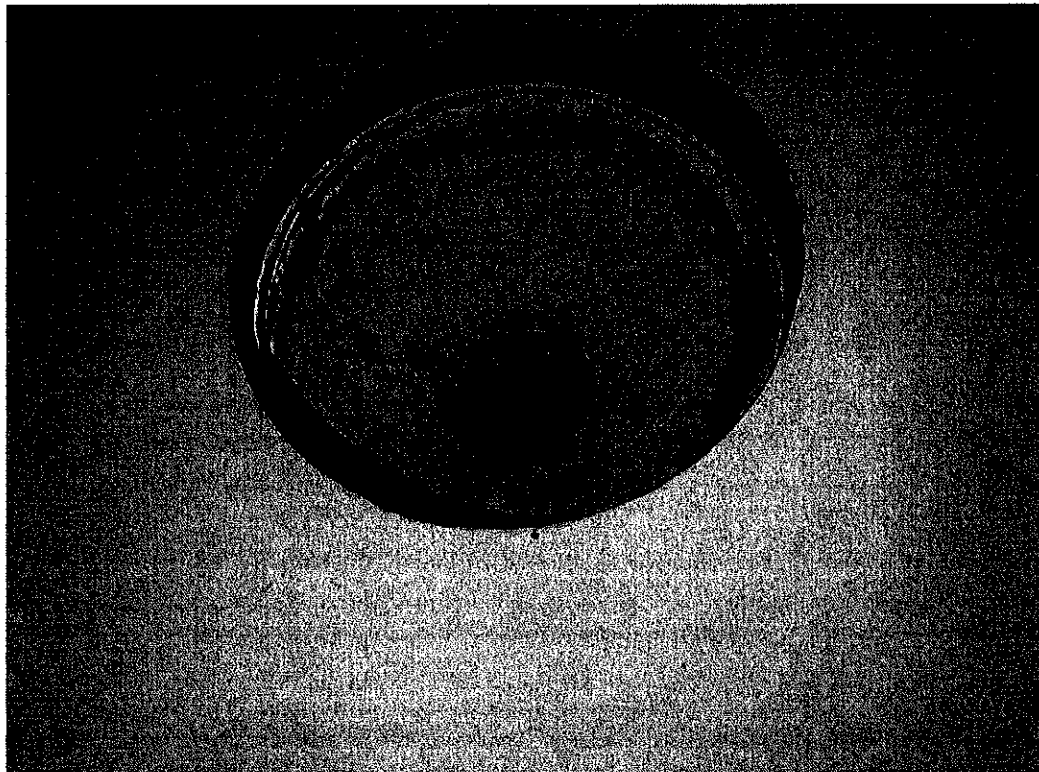
Overflow as viewed from above the water's surface.



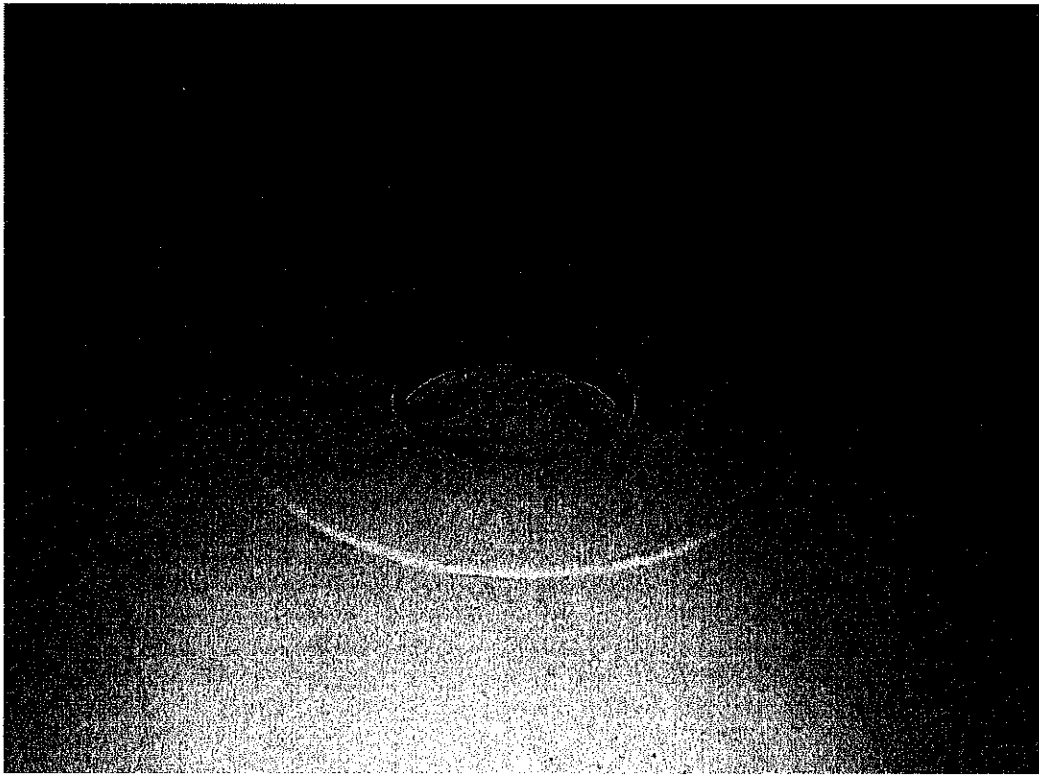
Shell mounted inlet/outlet nozzle as viewed from the interior.



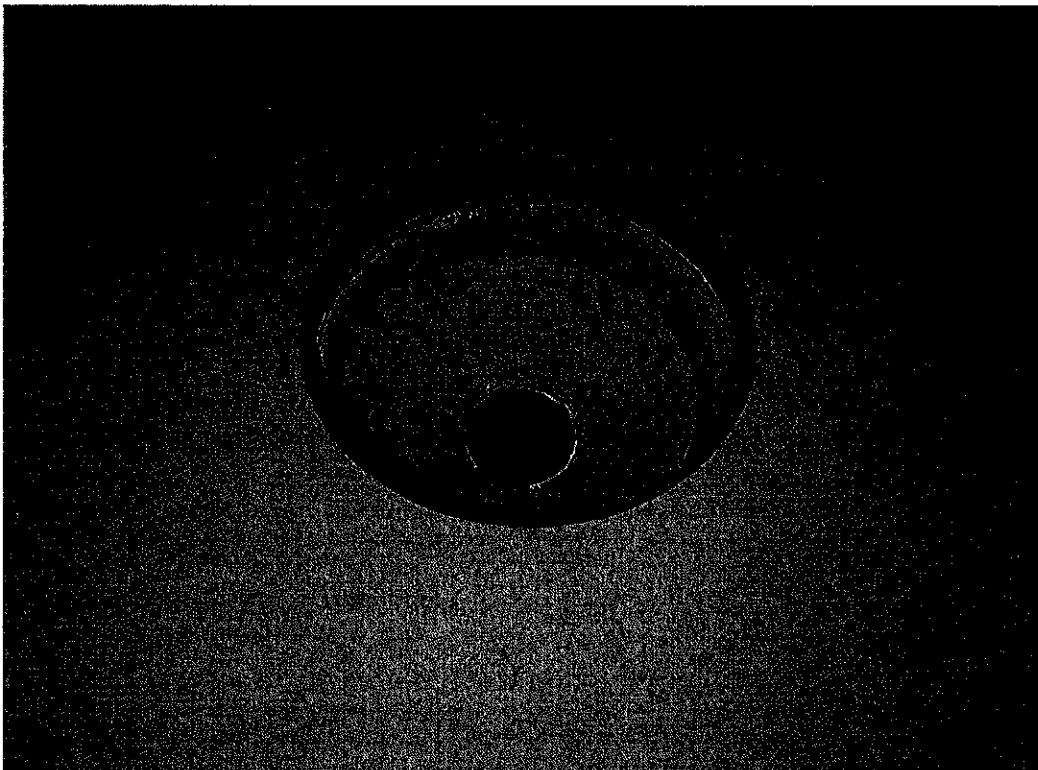
Drain #1 as viewed from the interior. This penetration may be closer to the shell than current seismic designs allow for tanks without mechanical anchorage.



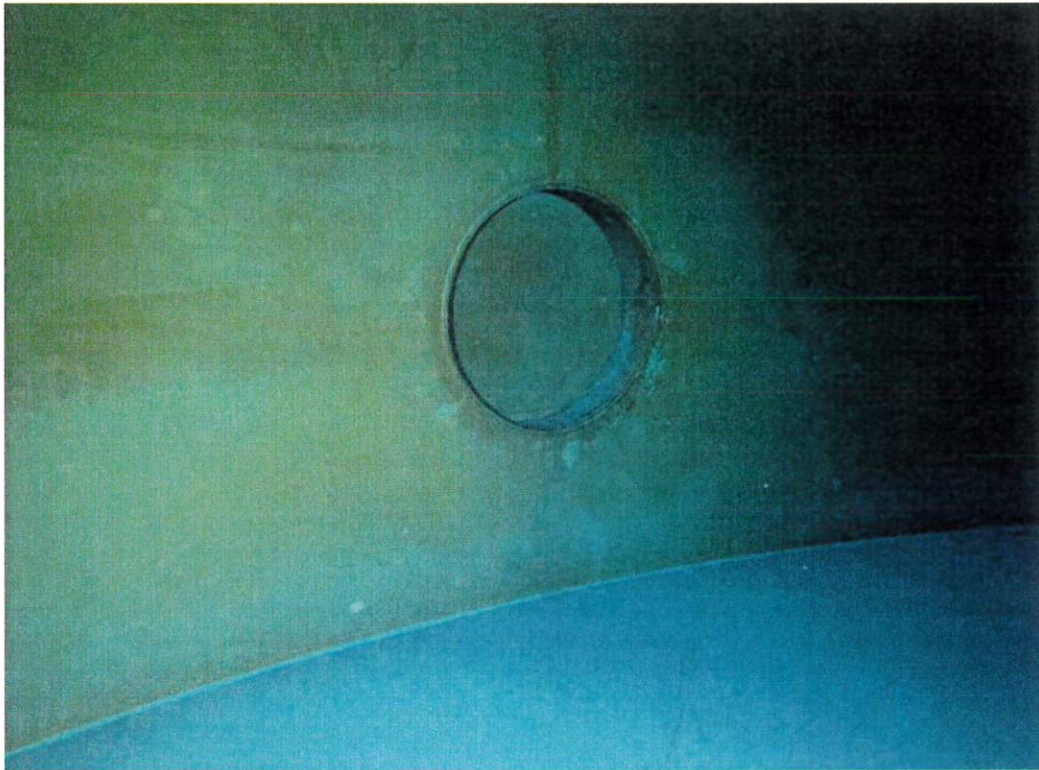
This is an additional view of bottom penetration #1



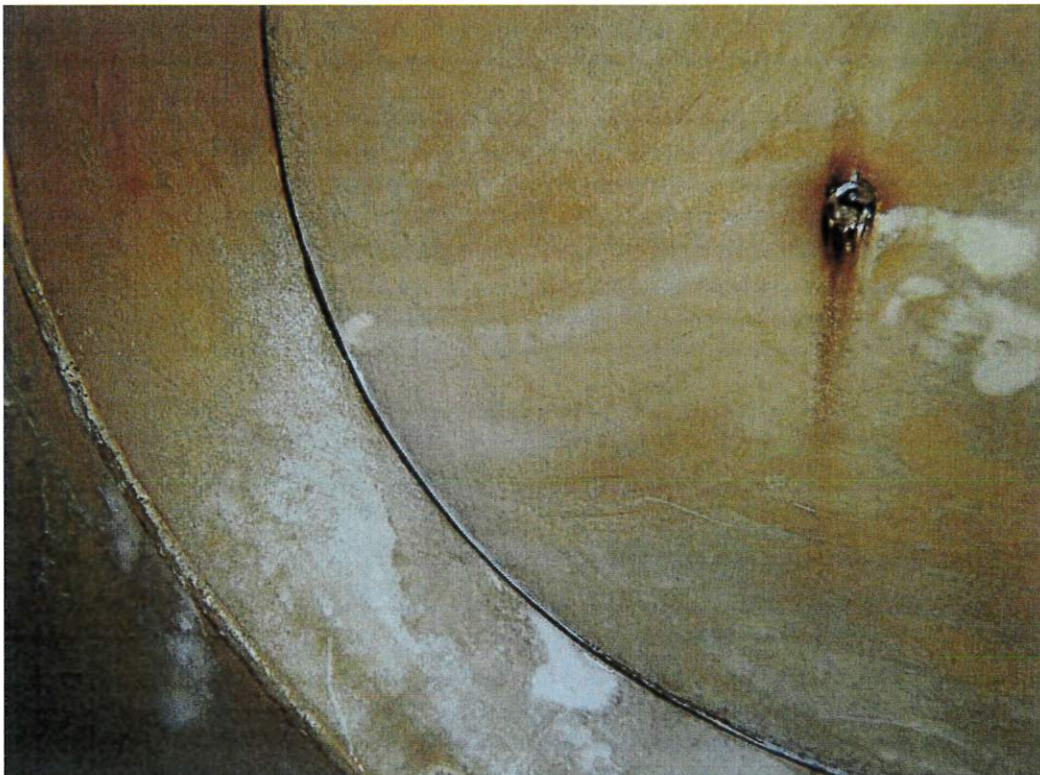
Drain #2 as viewed from the interior. This penetration may be closer to the shell than current seismic designs allow for tanks without mechanical anchorage.



This is an additional view of bottom penetration #2



This is a view of the eastern manway from the interior side.



This view shows the western manway and the sample tap penetration and corrosion.

DIVE INSPECTION REPORT FOR
MISSION HILLS COMMUNITY SERVICES DISTRICT'S
WEST WATER TANK
MAY 18TH, 2021



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**DIVE INSPECTION REPORT FOR
MISSION HILLS COMMUNITY SERVICES DISTRICT'S
WEST WATER TANK**

MAY 18TH, 2021

REVISION DATE: N/A

Pursuant to the American Water Works Association's Manual of Water Supply Practices, Steel Water-Storage Tanks, M42 and California Business and Professions Code section 6735, the engineering report contained herein has been prepared by or under the direction of the following Registered Engineer:

ADVANTAGE TECHNICAL SERVICES, INC.
6661 FERN CANYON LANE
SAN LUIS OBISPO, CA 93401
805-595-2282

UNDER THE SUPERVISION OF:
WILLIAM D. BELLIS, P.E.

William D. Bellis

Registered Civil Engineer, CA C55334



EXECUTIVE SUMMARY

Advantage Technical Services, Inc. (ATS) inspected the Mission Hills Community Service District's West Tank on May 18th, 2021. The tank interior was inspected above and below the water line using sanitary diving procedures. The following is a summary of what appear to be the most significant elements:

1. Coatings have failed on the interior rafter flange edges and severe metal loss is present.
2. Coatings are in fair condition with severe chalking and inter-coat delamination but only some minor corrosion.
3. The rigid inlet/ outlet piping connections no longer meet current AWWA standards for seismic design.
4. The guardrail, exterior ladder and ladder cage have safety deficiencies, broken welds, corrosion damage and do not meet regulatory requirements.

SCOPE, OBJECTIVE, AND LIMITATIONS

An inspection was completed on the interior and exterior of the steel potable water storage reservoir. Principle Inspector/Engineer, Will Bellis, P.E. and ATS associates provided the tank inspection.

ATS personnel completed a preliminary inspection for safe access with particular attention to work from the elevated location and the confined space. It was determined that the existing roof fall protection does not meet OSHA regulatory requirements. Our on-site Engineer determined the acceptability of temporary fall protection anchor points, temporary tie-backs and confirmed the applicability of our standard procedures for mitigating the risks. The temporary protection equipment is part of ATS tooling and is not appropriate for permanent installation so it was removed upon completion of this work.

ATS divers have experience and certifications that meet or exceed the requirements of the American Water Works Association Manual of Water Supply Practices, Steel Water-Storage Tanks, M42, AWWA C652 Standard for Disinfection of Water Storage Facilities and OSHA regulations for technical or commercial diving. Additionally, our team's certifications or licenses include a Registered Professional Engineer, API 653 Tank Inspector, AWS Certified Welding Inspector, National Association of Corrosion Engineers Level III Coating Inspector, and American Society of Nondestructive Testing Level III Engineer. With these applicable credentials and combined experience of over five hundred tank dive inspections our team leads the industry.

The diver's air supply is supplied by air hoses from the surface using either a dive compressor or bottled air. The diver's air supply system offers triple redundancy; including a self-contained system maintained in the diver's possession and control. A full-time communication system supports documentation of findings and operational or emergency communications.

All disinfection procedures are in accordance with the American Water Works Association Standard for Disinfection of Water-Storage Facilities (ANSI/AWWA C652-11).

The photographs provided within this report display representative views and subsequent analysis. Digital video, also included, provides additional documentation of the conditions.

The observations made during the inspection, and included in this report, provide a reasonable evaluation of the tank conditions at the time of the inspection. Considerations of safe access and reasonable care were observed in making and reporting the observations. Latent defects or conditions found during subsequent cleaning, inspections, or other work at the tank must be brought to the Engineer's or Owner's attention.

OBSERVATIONS

General Tank Data

Type: Welded steel reservoir

Capacity: 800,000 gallons

Media Stored: Potable water

Diameter: 76 feet

Height: 24 feet

Water level during inspection: Approximately 18 feet

Foundation

Asphalt concrete pavement covers the lower shell and prevents access to the foundation.

Exterior Shell

Coatings are aged and there are numerous areas where the green colored coating is peeling away from the painted steel below (Inter-coat delamination). Impact damage, that appears to be due to rocks, is concentrated along the western side where the tank is close to the fence. Some minor corrosion is present at a few rock chips but no significant corrosion is present on other areas of the shell.

The lowest portion of shell and the very important weld to the bottom extension (Chime) is hidden from view by the asphalt paving. A crack at the interface between the tank and the asphalt concrete paving indicates that the paving does not seal out water but does prevent access for coating and inspection.

Significant chalking is present. Chalking is the formation of friable, or easily removed powder, on the surface of the coating. The "powder" is evolved from the coating itself. The level of chalking helps define the amount of degradation and its presence affects the adhesion of top-coats. The ASTM D 4214 Standard Test Method for Evaluating the Degree of Chalking of Exterior Paint Films was used.

Exterior Roof

The exterior roof coatings are in fair condition with heavy chalking and some minor general corrosion.

Heavy chalking is present on all areas of the roof. Chalking is the formation of friable, or easily removed powder, on the surface of the coating. The "powder" is evolved from the coating itself. The level of chalking helps define the amount of degradation and its presence affects the adhesion of top-coats. The ASTM D 4214 Standard Test Method for Evaluating the Degree of Chalking of Exterior Paint Films was used.

Interior Bottom

Low density-fine-dark brown sediment and paint and rust chips (From the failed coatings on the roof structure) were scattered over 100% of the bottom area. The sediment depth was approximately 1/8".

The bottom plate and coatings were found to be in good condition.

Interior Shell

The interior shell plate was found to be in good condition. A few locations of minor corrosion are present but no significant metal loss was noted.

Interior Roof Plate

The interior roof plate is in fair to good condition. Coatings appear to be protecting the roof plate overall. No significant corrosion is apparent. Staining is present from inaccessible areas between the rafter tops and the roof plate.

Roof Structure

The roof is supported by a round tubular center column with wide flange rafters. The base plate is the welded type.

The roof structure is in poor condition overall. Coatings have failed at the rafter flange edges and severe metal loss is present. Conditions worsen toward the center column.

Appurtenances

Exterior Ladder and Cage: The ladder and ladder safety device do not extend to the ground as required by OSHA regulations. The ladder safety device has been painted and this is not in compliance with typical manufacturer requirements. The ladder cage is in poor condition due to corrosion and broken welds. Razor wire attached to the ladder cage prevents the use of the cage without risk of injury.

Roof Fall Protection: Fall protection cables are present and in good condition. Provide periodic inspection by a qualified person to assure that the cables are in appropriate condition to perform fall prevention.

Roof Guardrail: Guardrail is provided at roof hatch area. No guardrail is provided for other areas of the roof edge. The guardrail is in poor condition due to corrosion damage and the ladder opening is unprotected. Personnel accessing the roof are required to be tied-off.

Roof Hatch: One lockable square roof hatch is located at the top of the interior ladder. The hatch is in fair condition with at least one location of concentrated corrosion. Several golf ball sized rocks were found inside the tank directly below the roof hatch.

Internal Ladder: The internal ladder is in good condition. Some minor areas of corrosion are present.

Overflow: The visible exterior of the overflow pipe appears to be in good condition. The interior overflow piping appears to be in good condition. The water level was too low to access and view the interior of the piping.

Inlet/ Outlet: The inlet/outlet shell nozzle is in good overall condition with staining and minor corrosion.

Drain: The bottom drain is in fair condition with staining and minor corrosion present.

Roof Vent: The roof vent and outer bird screen are in fair condition. The inner fine screen was not accessible, but it appears to be functioning properly. Coatings have failed at the base of the roof vent and associated metal loss is present.

Manways: Two round multi-bolt manways are present. The manways are in good condition overall on the interior and exterior. Staining and small clusters of blisters are present on the interior.

ENVIRONMENT AND OPERATING CONDITIONS

This tank is located in a remote area with an adjacent tank but no other buildings and equipment.

The tank site conditions are typical for California coastal areas with regular fog, dew and salts which significantly increase corrosion rates on exterior surfaces and interior vapor space.

RECOMMENDATIONS

The following recommendations are based on our experience as engineers and inspectors with regard to the best industry practices used by both public and private tank owners. The intent is to provide information that will likely help lower risks, optimize water quality and

increase long term value for the tank owner(s). Our scope of work does not include a safety audit or evaluation but we are making recommendations where we have noted potential issues. The owner's insurance provider or safety consultant should be consulted for a review of the safety features of this facility where desired.

1. Consider removal of sample areas of the asphalt pavement at the base of the tank to allow inspection of the critical lower shell and shell to bottom weld. Future exterior coating application may necessitate removal of asphalt around the entire perimeter if moisture is accumulating on top of the chime.
2. Repair broken welds, corrosion damage on the ladder cage and guardrail to restore these safety features and conform to regulatory requirements. Remove or move razor wire away from the ladder cage to allow climbers to be near or grab the ladder cage without danger from the razor wire.
3. Install a horizontal opening ladder door with an integral cage cover to eliminate the risk created by the downward swinging cage cover. Extend the ladder and ladder safety device to the ground to meet regulatory requirements.
4. Spot repairs on the interior in areas like the center support, vent interior, and rafter flange edges will help control metal loss due to corrosion and extend the life of the tank. Interior repairs could be made with 100% solids, two part epoxy, such as AquataPoxy that is NSF61 approved and will cure in wet environments. Manufacturer's recommendations for preparation and application should be followed. ATS has completed this type of work using vacuum recovery preparation tools from a floating work platform to lower impacts on operations. Disinfection and confined space procedures must be followed.
5. Consider a review of the seismic design of the tank prior to future rehabilitation work. This type of review would include updated engineering evaluations that could help lead to improving the potential for service after an earthquake. Updates include design to prevent shell failure, improved flexibility of piping connections and new recommendations for preventing roof damage from sloshing waves. ATS recommends consideration of the tank seismic use category such as post-earthquake fire suppression, post-earthquake recovery, or service to facilities that are important to the welfare of the public.
6. Provide annual inspections of the exposed side of the tank shell to bottom connection pursuant to AWWA D100-11. Weeds, dirt, and foreign materials should be removed from this area to eliminate or reduce trapped moisture and associated corrosion.
7. Continue to provide regular inspections. AWWA D100-11 Standard for Welded Steel Tanks Specifies inspection and corrective maintenance every three years. AWWA Manual of Water Supply Practices, M42, for Steel Water Storage Tanks (2013) states "the tank should be inspected at least once every 3 to 5 years or as required by state regulatory agencies". M42 additionally states that "The results of the tank evaluation or pre-bid inspection should be certified by a professional engineer."
8. As in the case of this work, combining the internal inspection with sediment removal will provide improved inspection conditions and help reduce disinfectant demand, microbial growth, disinfection by-product formation and turbidity.



Overall view of the tank.



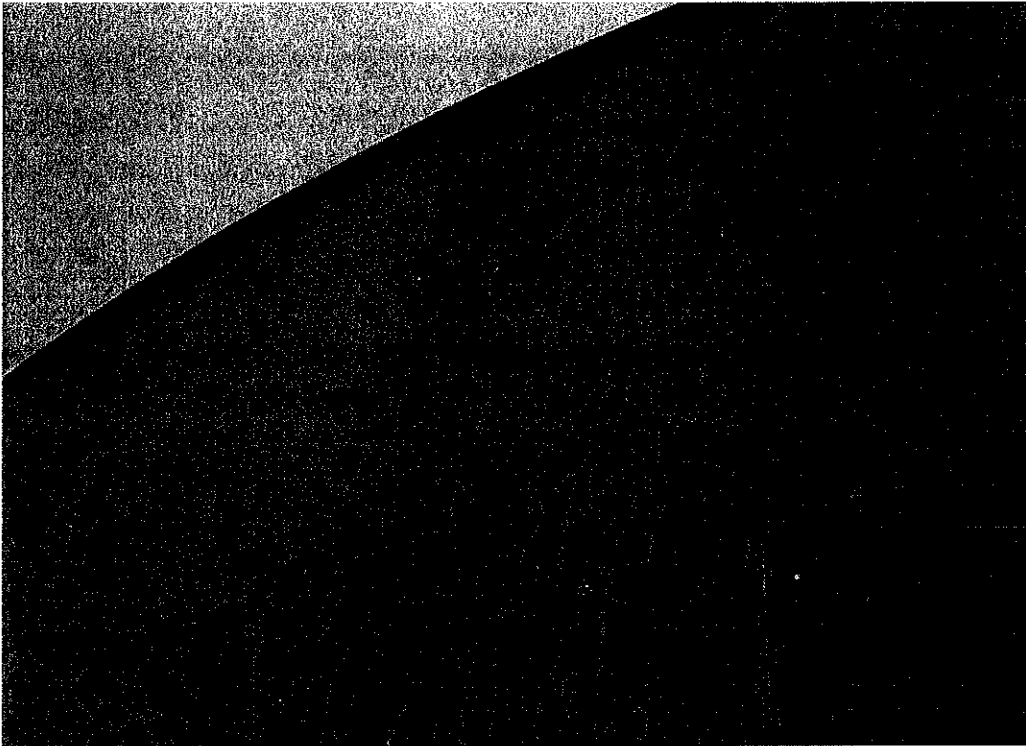
Tank nameplate.



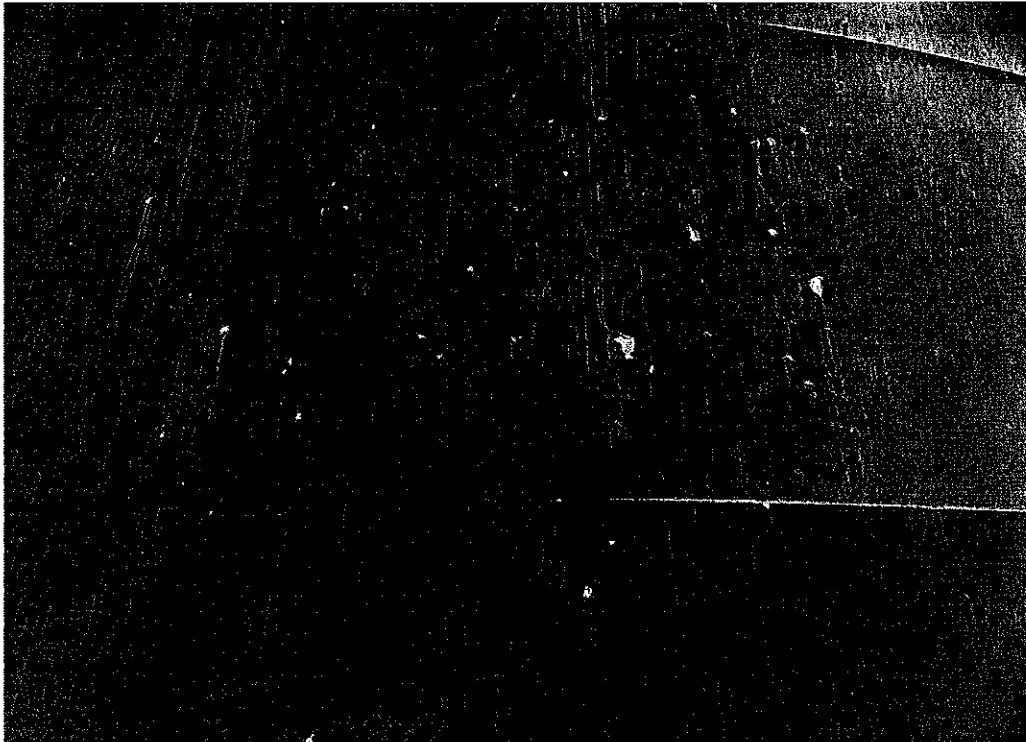
Lower shell and asphalt foundation. Chime is hidden beneath the asphalt pad.



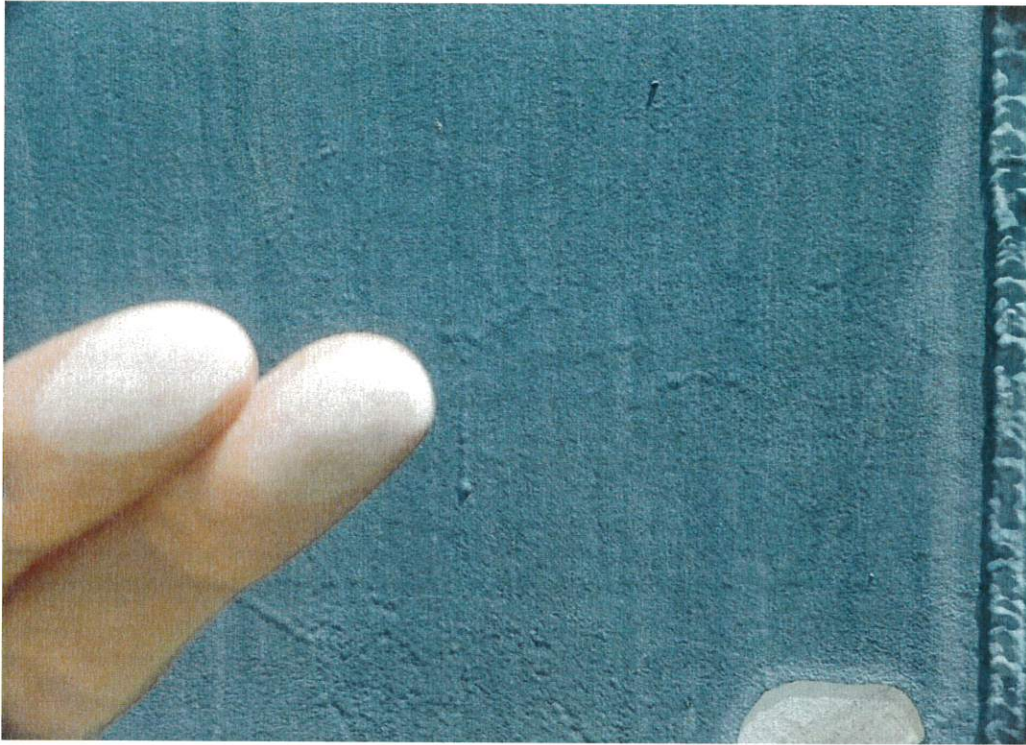
Additional close view of the top photo on this page.



The upper shell and roof joint are shown in this photo. Coatings are in poor condition. Staining, chipping, and chalking is present.



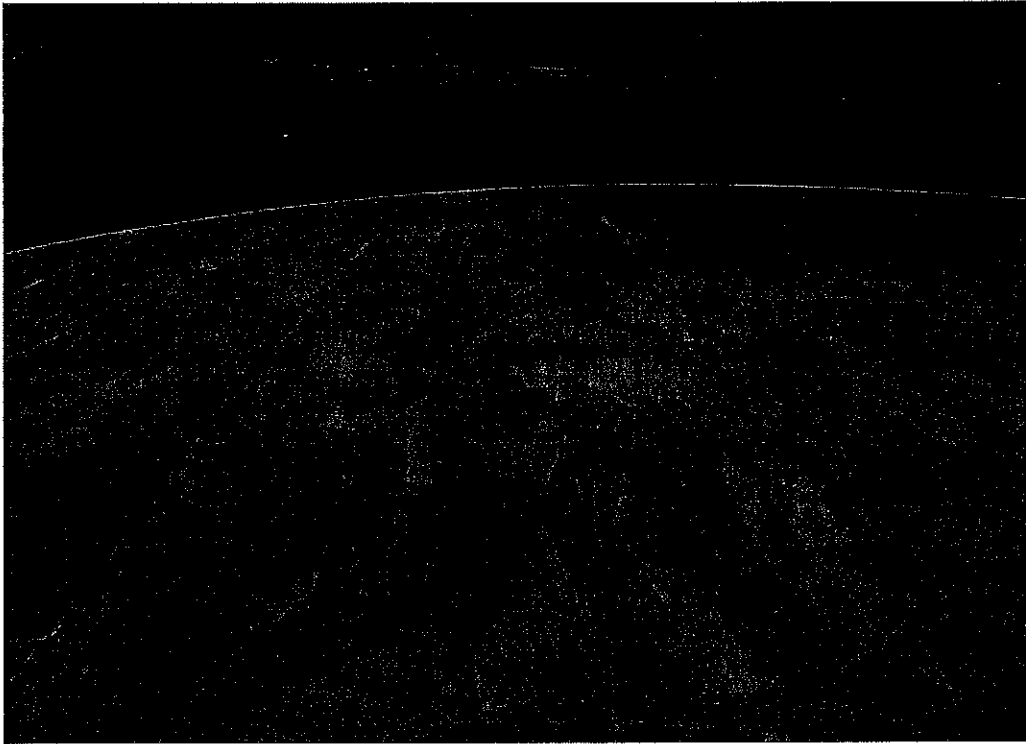
Additional view of the exterior shell showing staining and many chips in the coating likely from rocks thrown by vandals



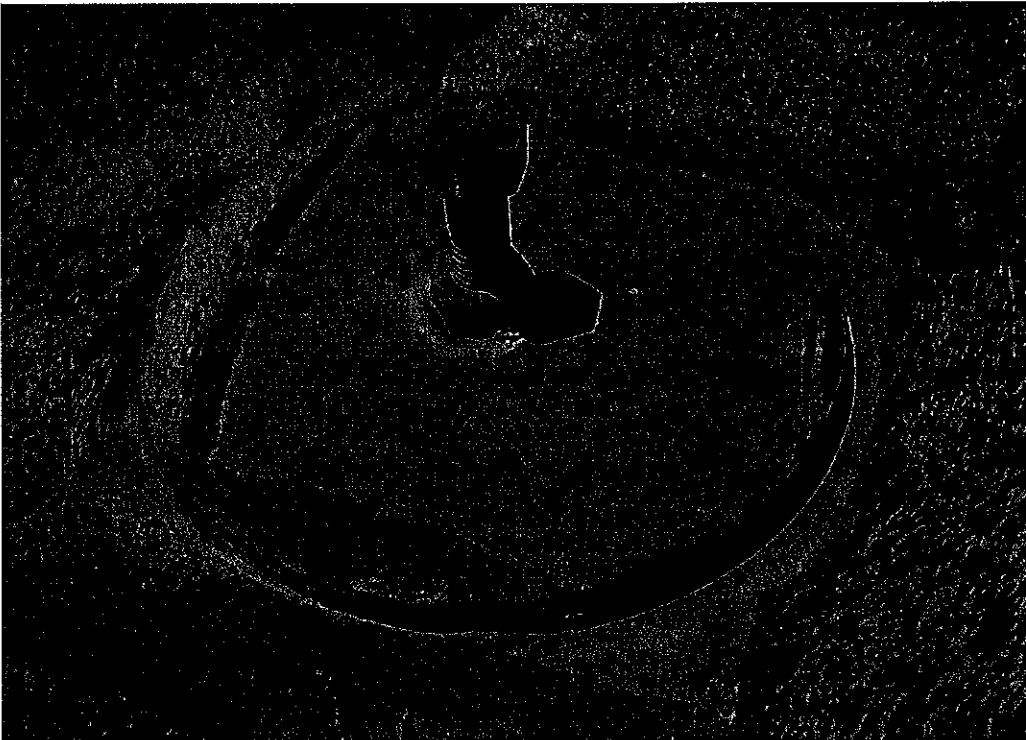
Heavy chalking is present on the shell and roof coatings. Chalking is the formation of friable, or easily removed powder on the surface of the coating. The level of chalking helps define the amount of degradation.



Severe inter-coat delamination is also present on the tank shell.



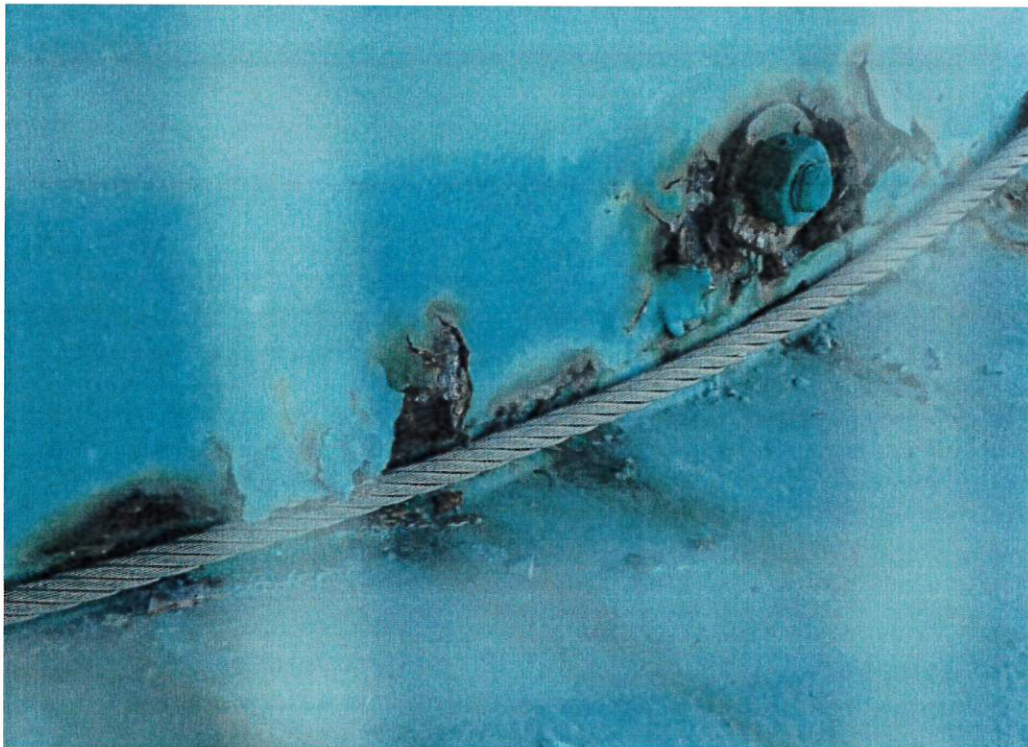
This view represents the typical conditions found on the tank roof. Coatings are in poor condition and heavy chalking is present.



CP handhole that is no longer in use and has been sealed.



The roof vent consists of a steel cover over a steel riser pipe. The screens appear to be functional and "Bug proof".



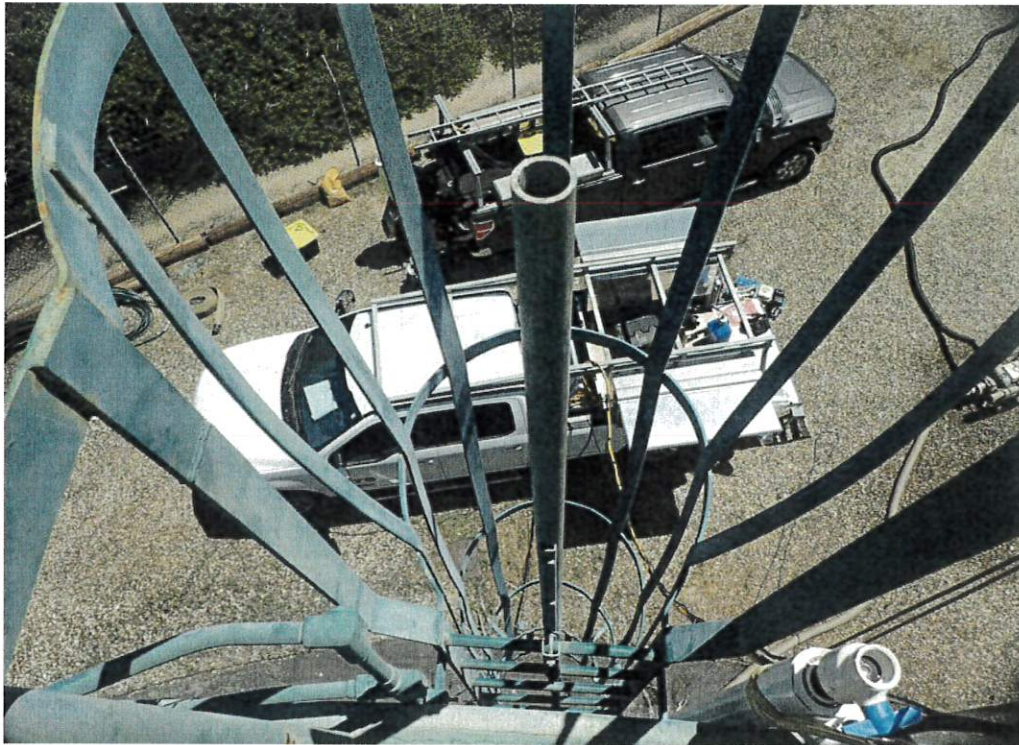
This view shows the base of the roof vent. Corrosion and associated metal loss are present.



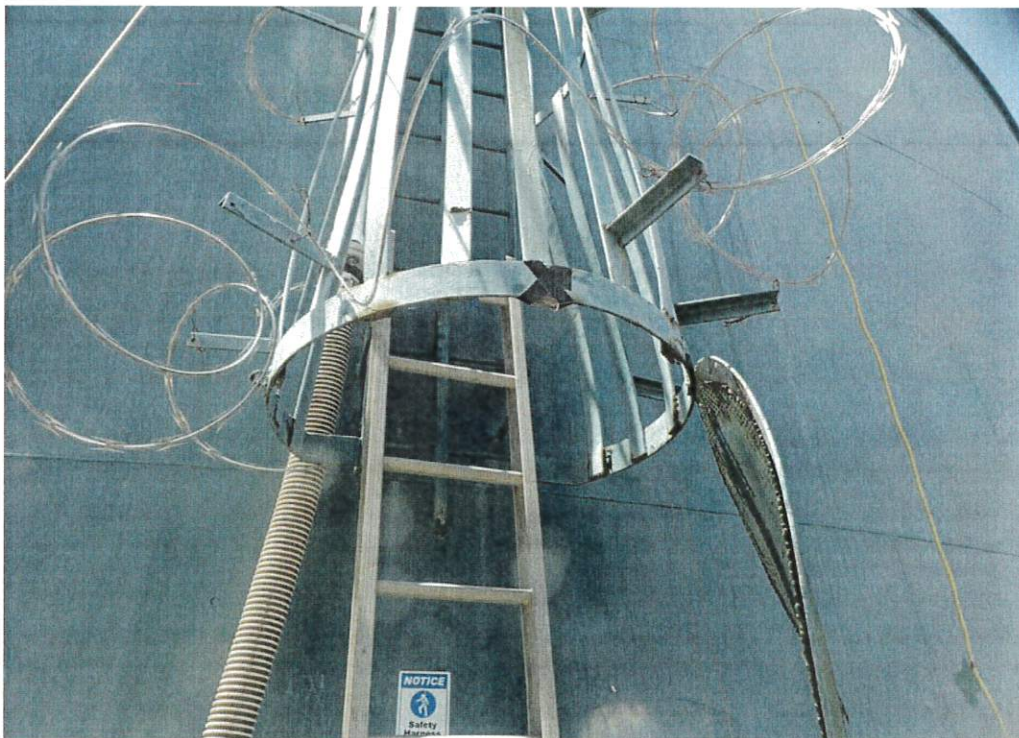
The photo above shows the roof hatch area with limited guardrail. Tie off cables are present (Installed by ATS personnel) but no self closing safety gate has been installed so full time tie off for personnel is required.



Looking into the tank from the roof hatch. Coatings have failed on the upper rung of the interior ladder and associated metal loss is present.



This view shows the exterior ladder with cage and safety-climb. Coatings are in poor condition with severe chalking and scattered corrosion.



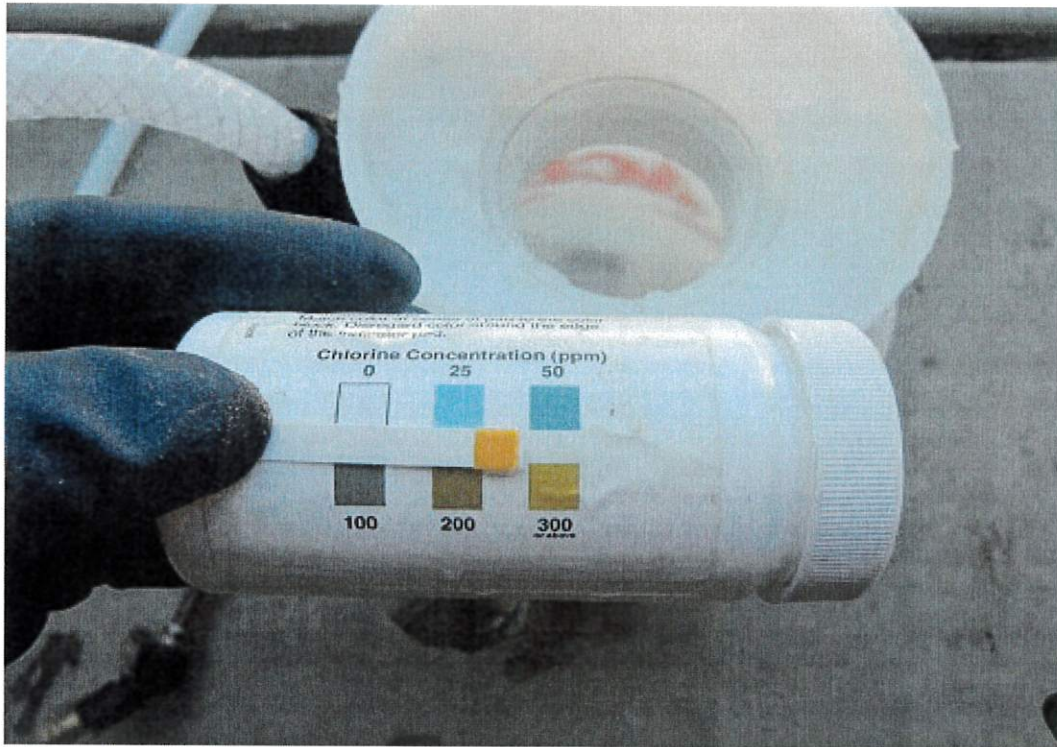
Additional view of the bottom of the exterior ladder and cage. Coatings are in poor condition. One of the flat bar supports has rusted through. Razor wire makes working off the ladder extremely difficult and dangerous.



This view shows the inlet outlet piping penetrating the tank shell. This piping is more rigid than current seismic design standards allow



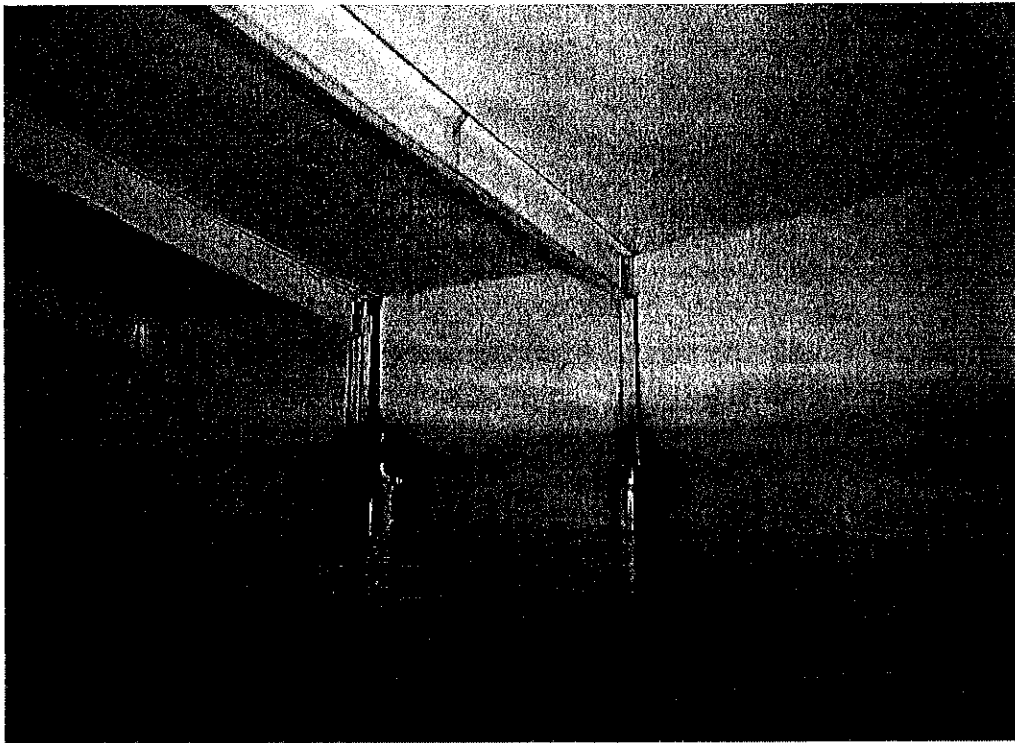
Shown above is a multi-bolt manway, lower shell, and tank nameplate. The manway itself is in fair condition with heavy chalking present.



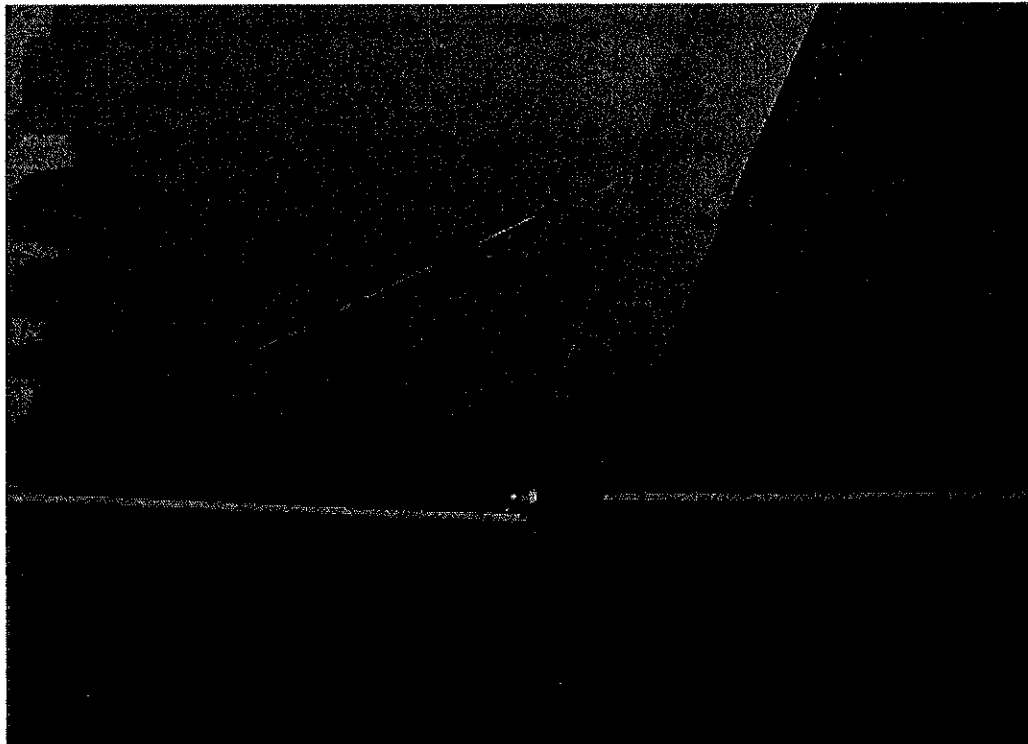
The disinfecting solution is tested to verify that it exceeds the 200 ppm free chlorine concentration level.



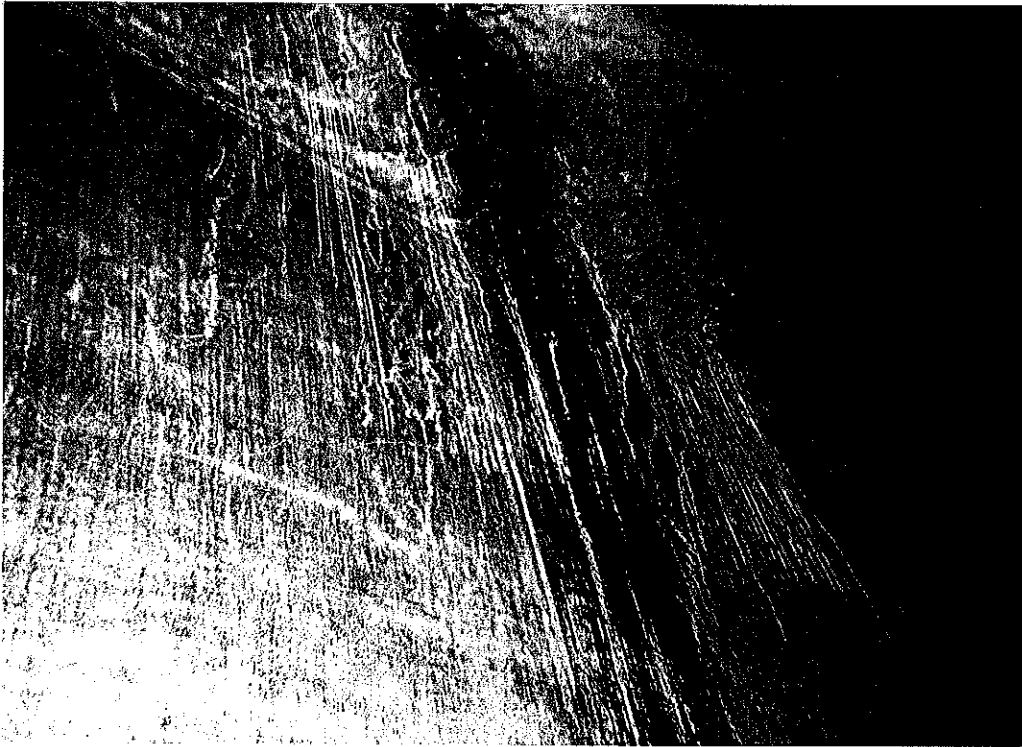
Diver and equipment are disinfected with the chlorine solution just prior to entry. This procedure is pursuant to AWWA disinfection standards for potable water diving (stock photo).



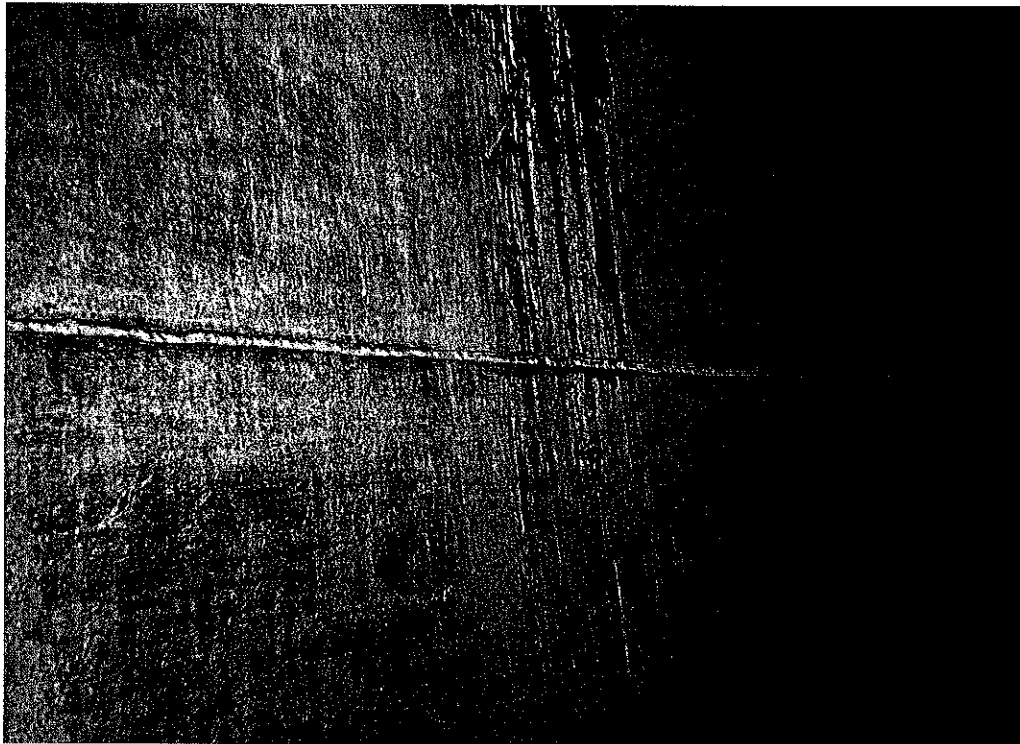
This view is representative of the conditions found on the interior shell, roof plate, and outer rafter. Staining is present from inaccessible areas between rafter tops and roof plate. Coatings are beginning to fail at flange edges.



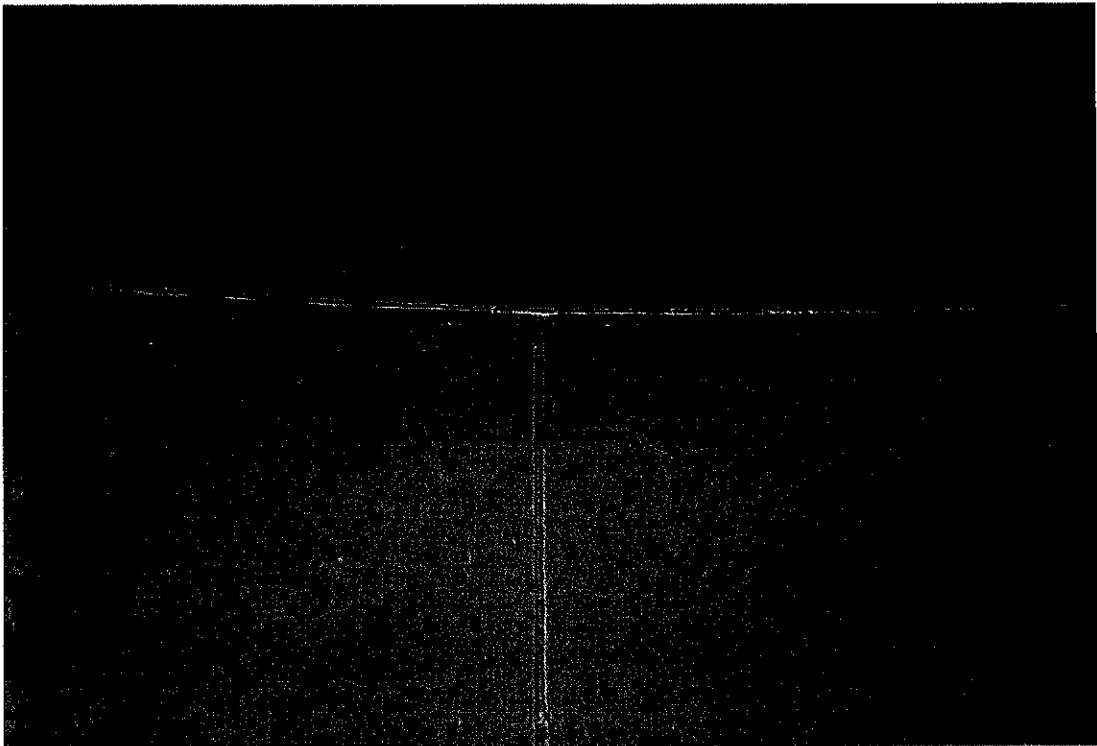
This view shows more staining from inaccessible areas. The roof plate appears to be in good condition overall.



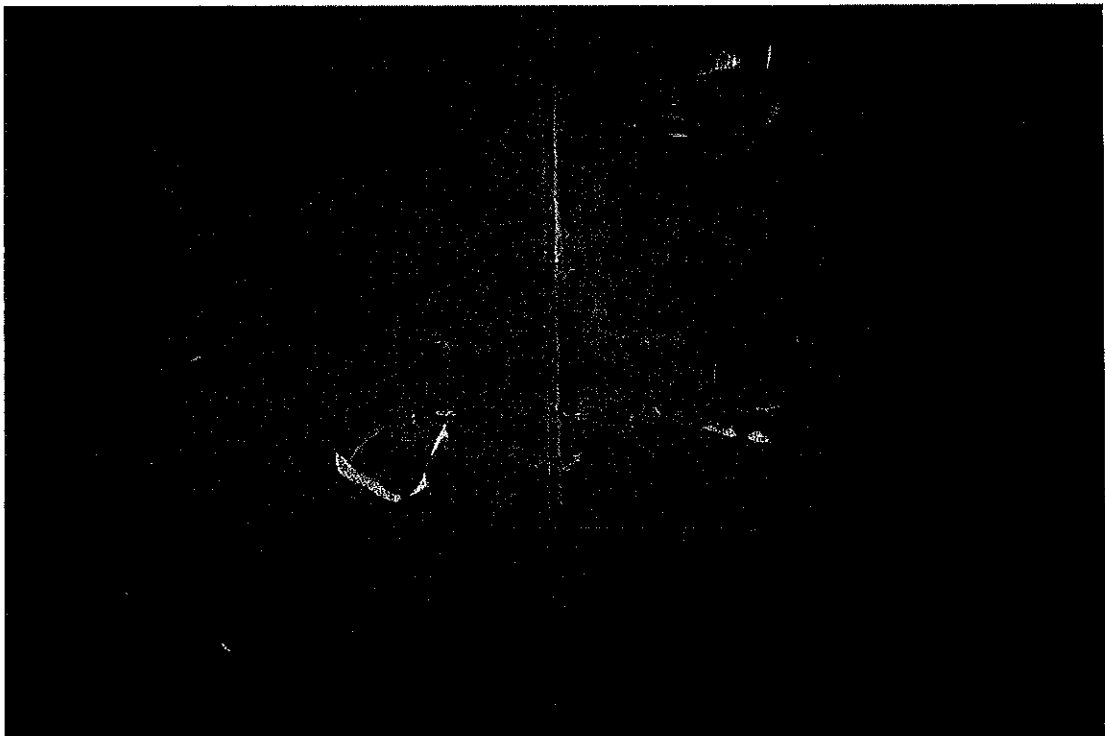
Interior shell just below the water line. The staining in this photo is from the inaccessible area between the tops of the rafters and the roof plate.



This photo shows the interior shell just below the top photo of this page.



This photo shows the horizontal joint between rings one and two at a junction with a vertical joint. Staining is present but coatings are in good condition.



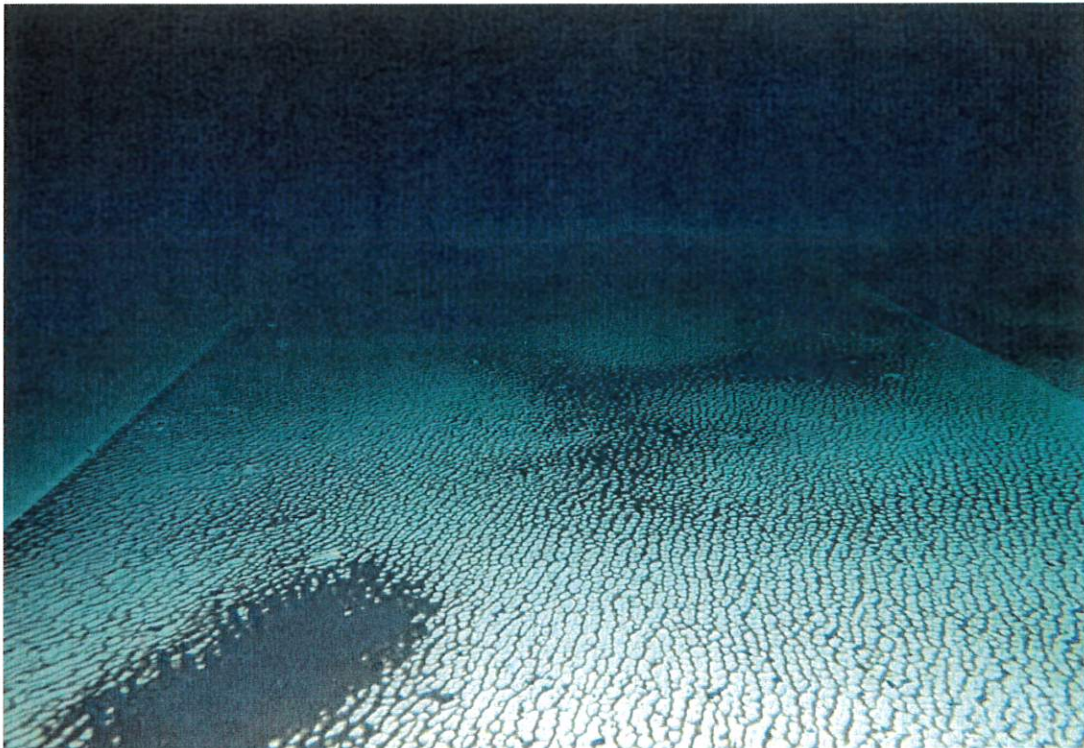
Additional view of the vertical weld joint seen in the top photo of this page.



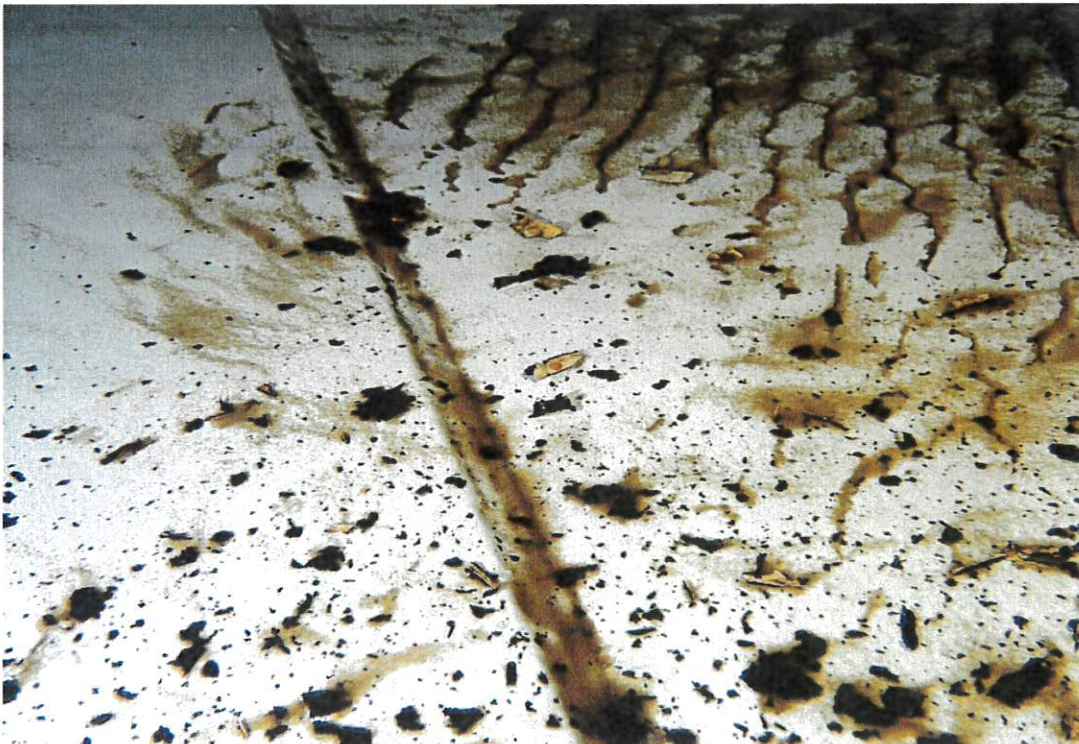
Lower shell and tank bottom with weld spatter.



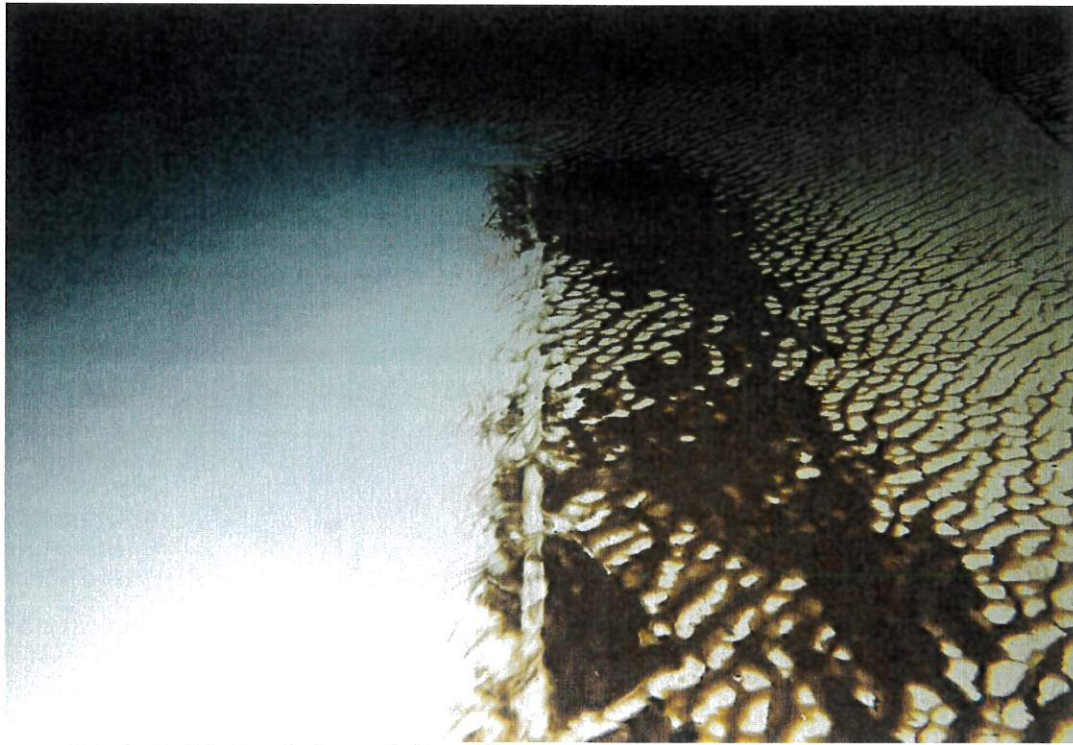
This photo provides a close view of the area shown in the top photo this page. Coatings are in good condition and protecting the steel.



This photo is representative of the typical condition of the tank bottom prior to sediment removal.



Additional view of the tank bottom prior to sediment removal. The large white and brown chips are rust and paint from the failed coatings on the rafter flange edges.



Interior tank bottom before and after sediment removal.



This photo is representative of the typical conditions found at plate joints on the tank bottom. Weld spatter is present underneath the coatings but rust is not present at this location.



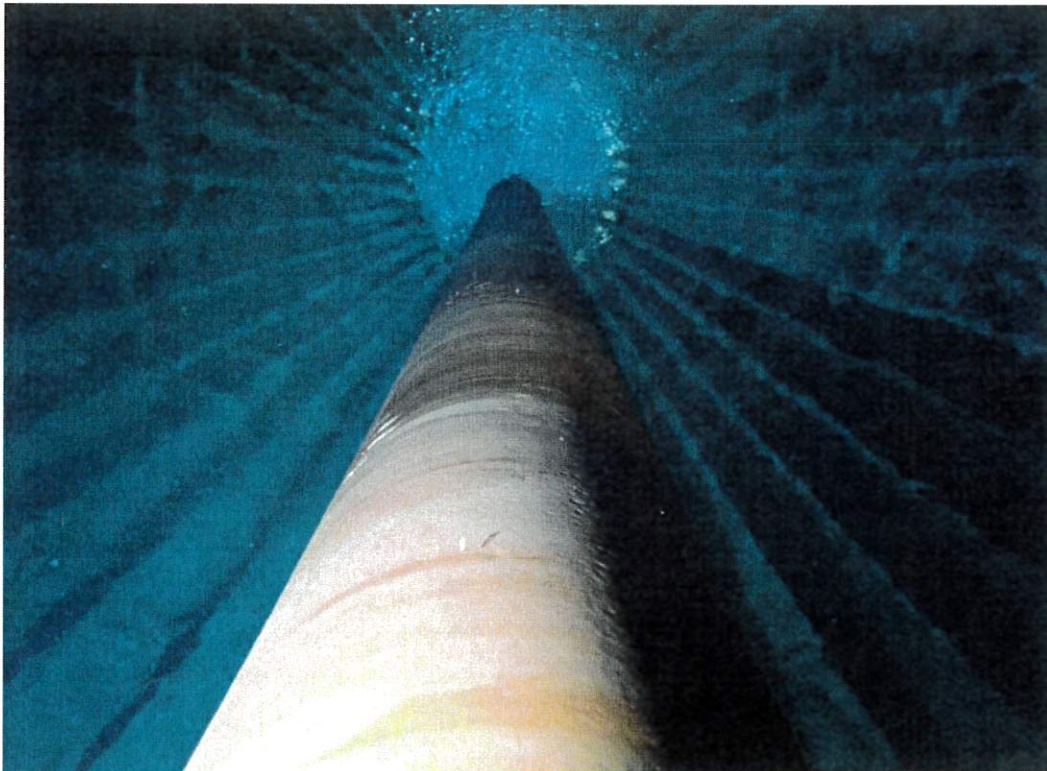
Several golf ball sized rocks were found inside the tank just below the roof hatch.



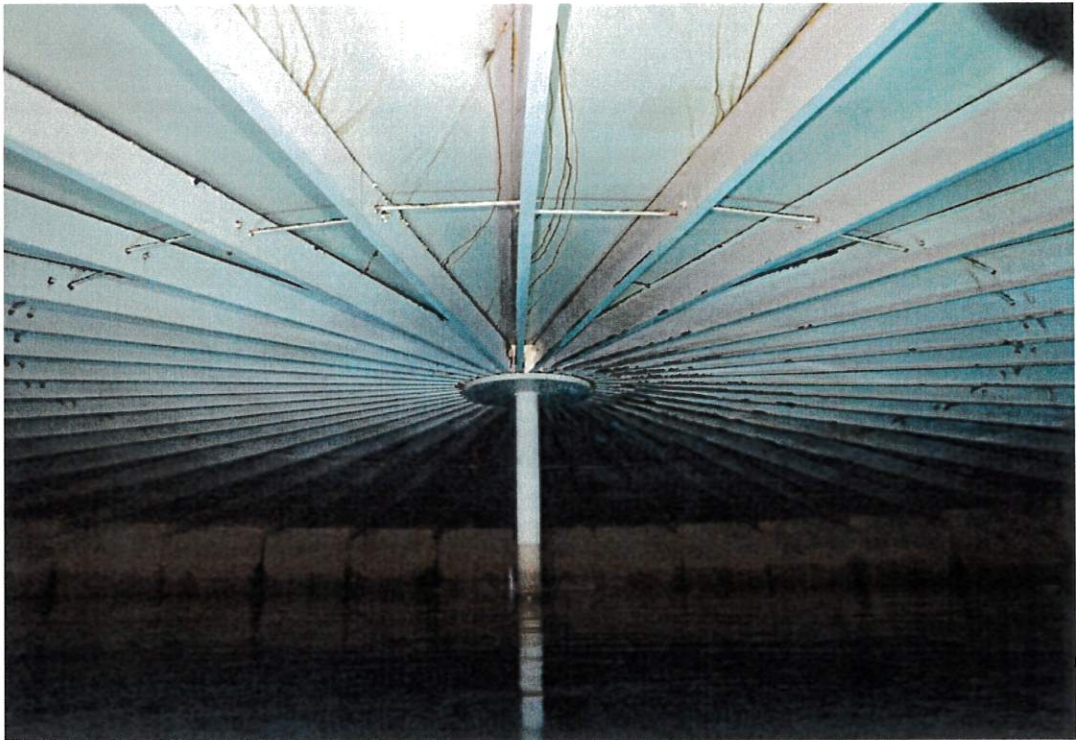
The middle section of the tank bottom (In front of the inlet/outlet) has a brown/ red stain that came off when rubbed by the divers glove.



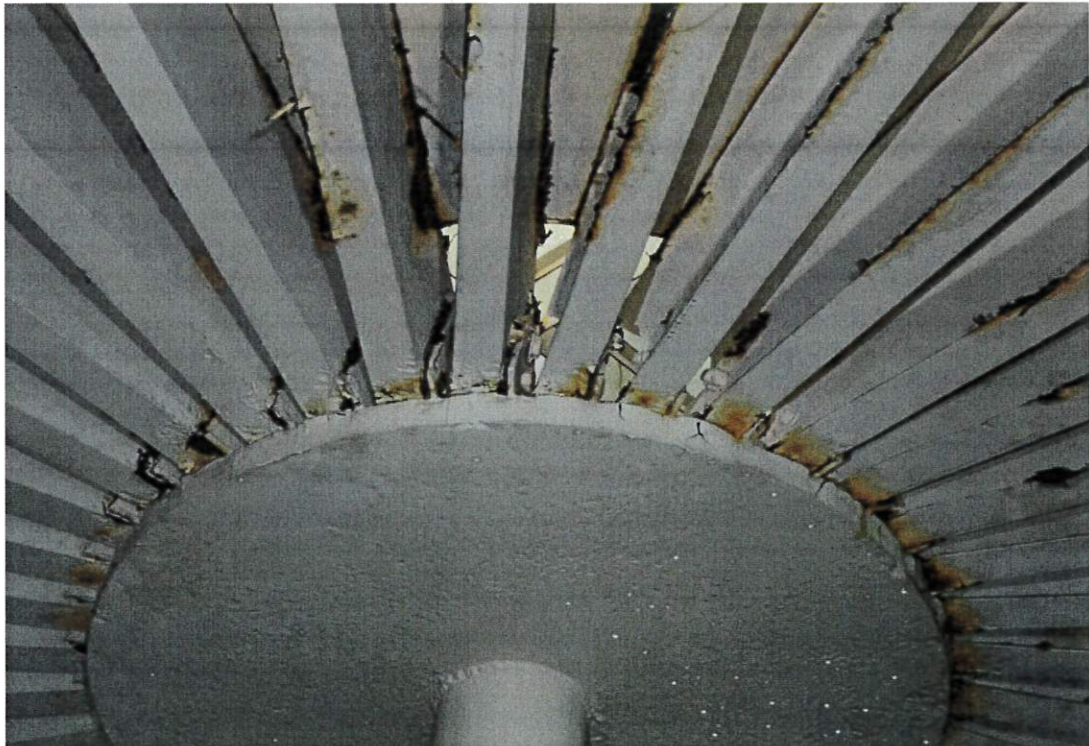
This photo shows the lower portion of the center column with welded base plate. Coatings are in good condition and no corrosion is present.



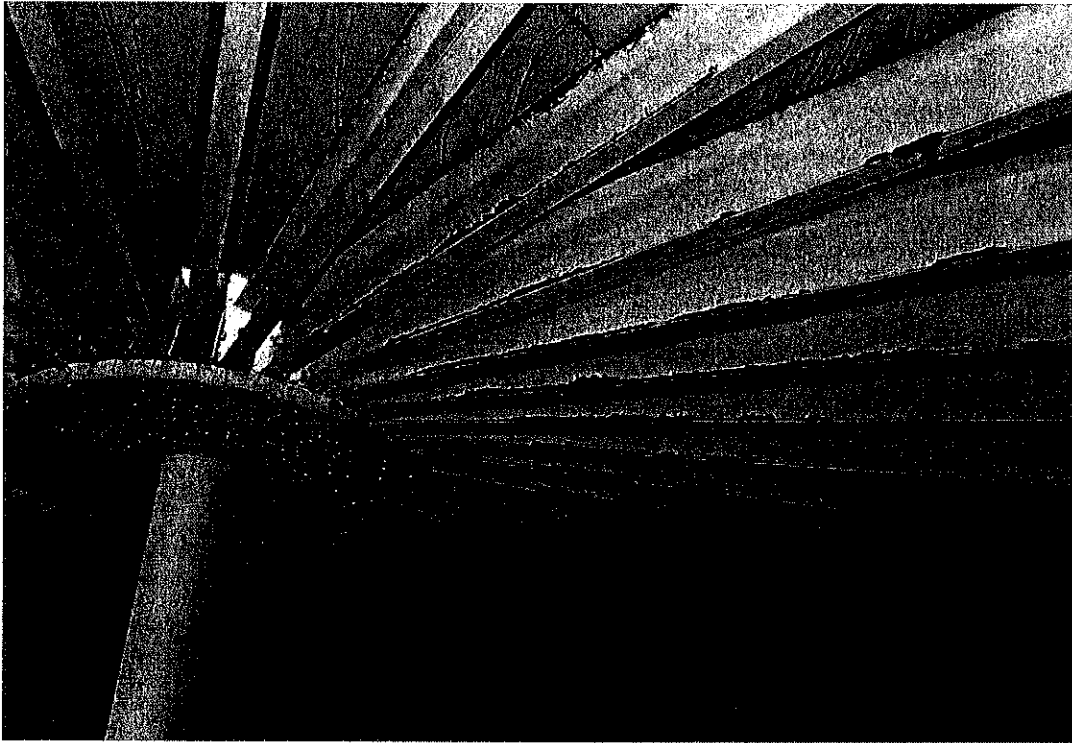
This photo was taken from the base of the center column looking up. Coatings are in good condition.



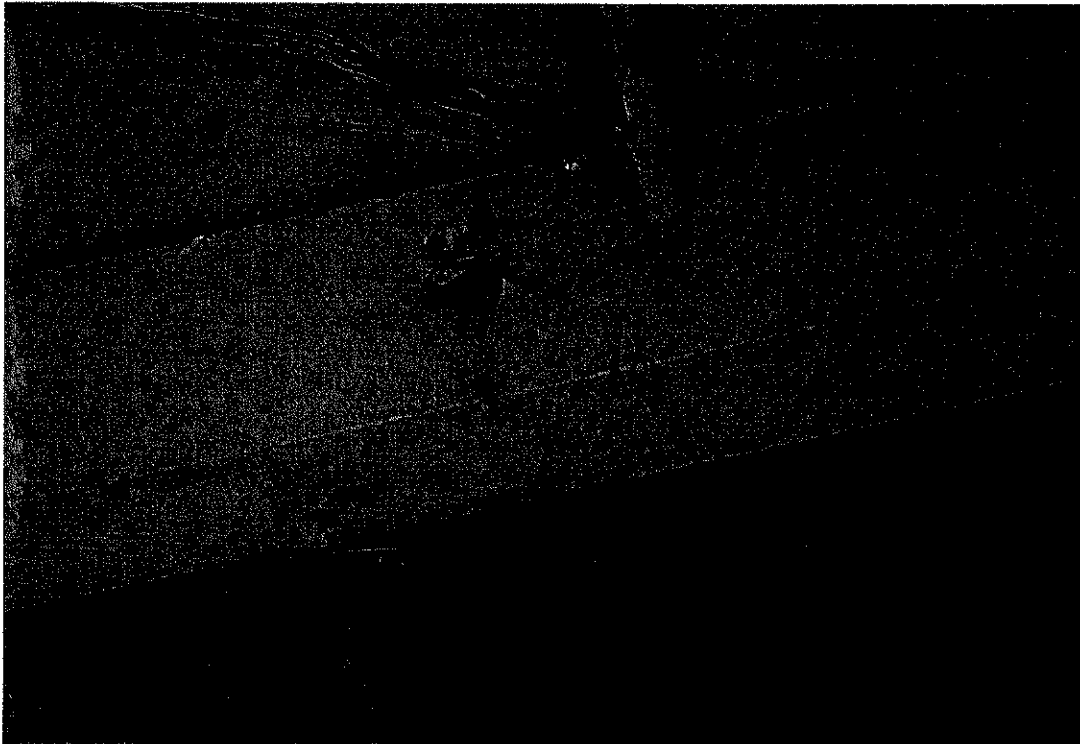
Overall view of the roof structure with coatings failed at rafter flange edges and staining of the roof plate.



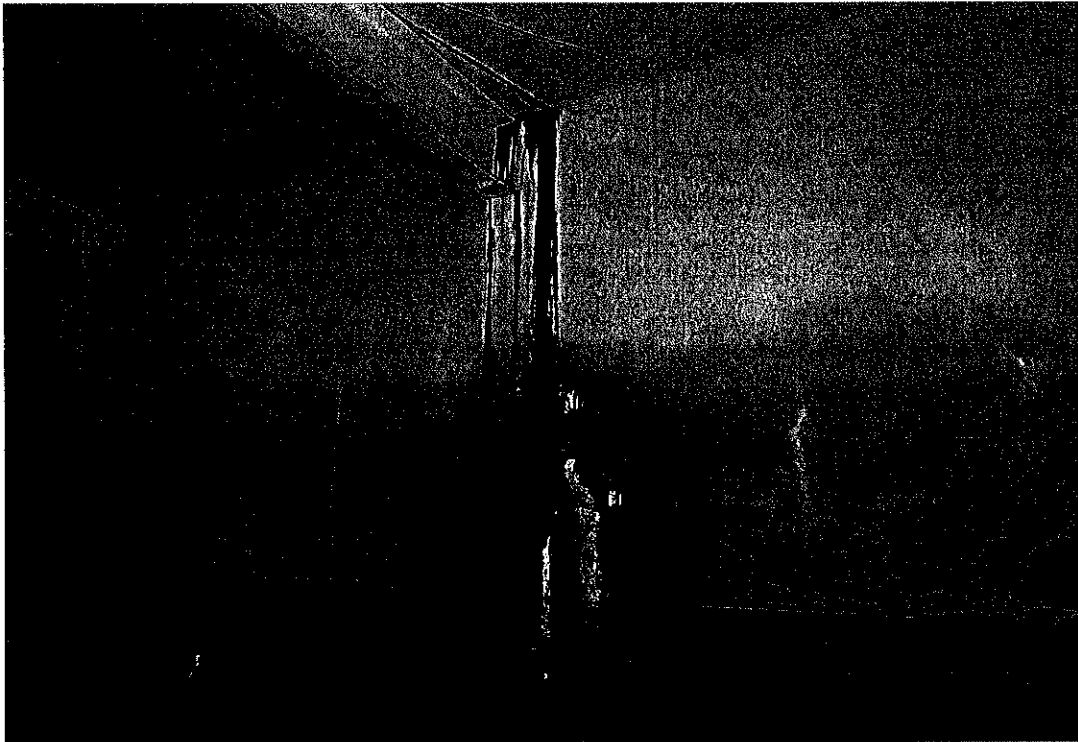
Additional close view of failed coatings and associated metal loss at the rafter flange edges.



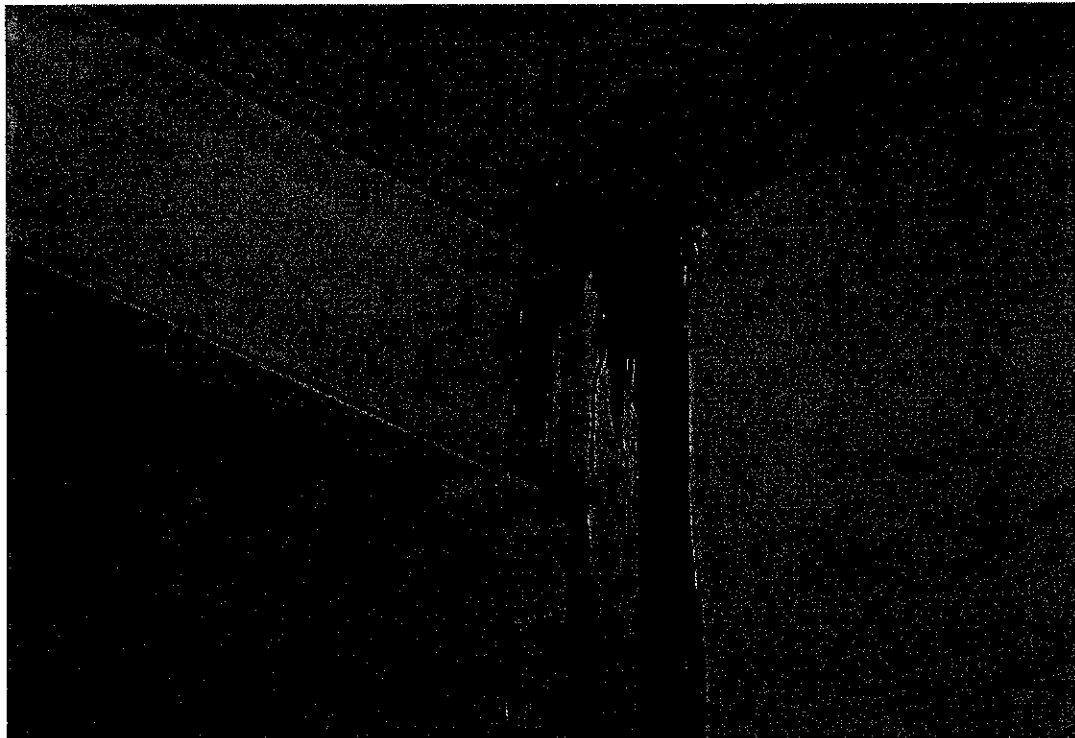
Additional view of associated metal loss at the rafter flange edges.



Staining of the roof plate and failed coatings with associated metal loss on the rafter ties.



Shown above is an example of the worst staining found from inaccessible areas.



Additional close view of the photo at the top of this page.



View of the roof hatch from the interior. Coatings have failed on the top rung of the ladder. Staining is present from rafter tops.



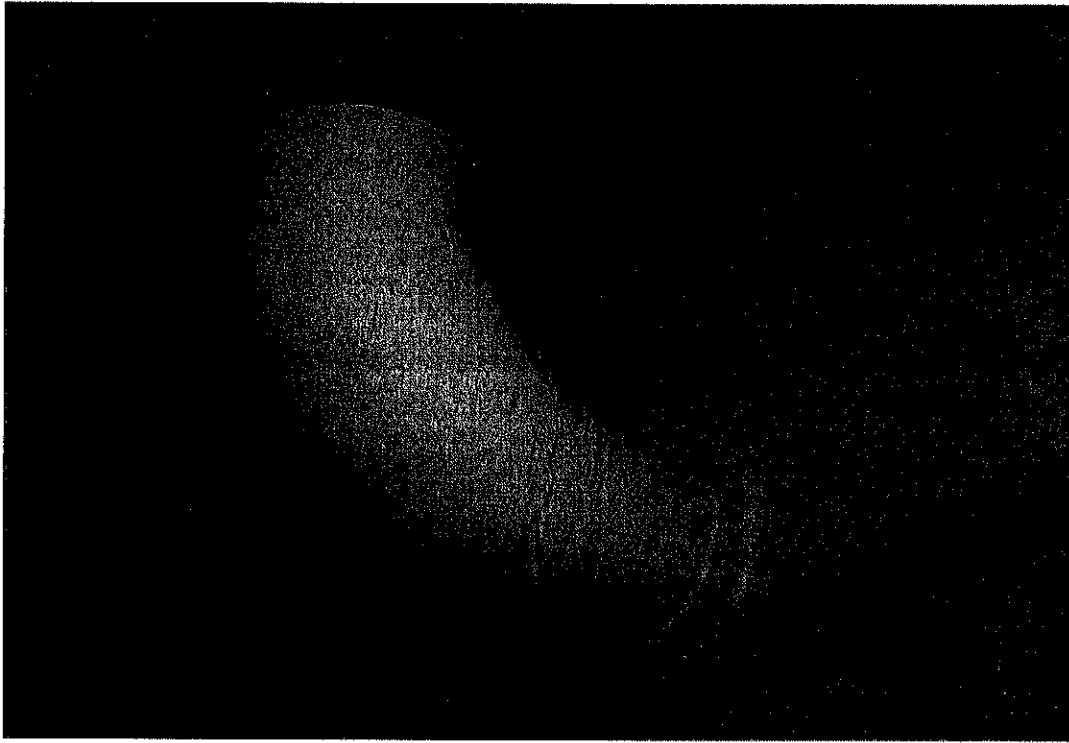
This view shows the interior ladder below the surface. Coatings are in good condition and protecting the steel.



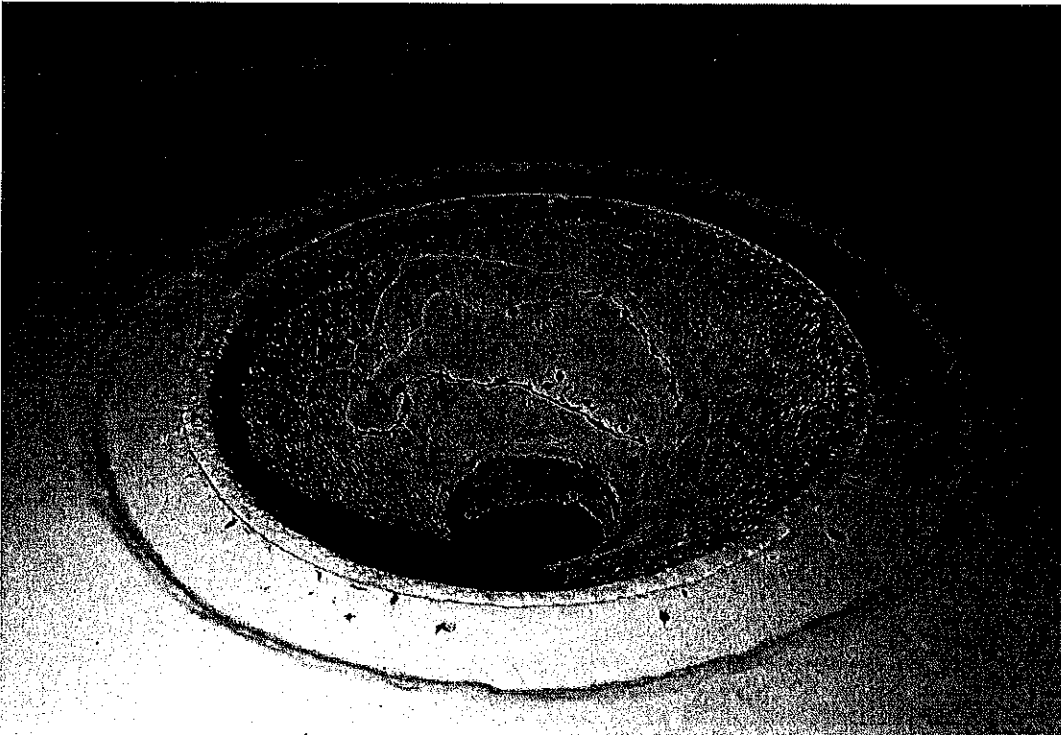
This photo shows the lip of the roof hatch. Severe corrosion is present.



Coating failure and associated metal loss at the top of the interior ladder.



Overflow piping. Coatings are in good condition. Water levels were too low for the diver to see inside the piping.



Drain penetrating the tank bottom. Coatings are in fair condition with staining from chipped rust from the roof structure.



Shown above is an interior view of the inlet/ outlet piping penetration and sample tap. Coatings are in good condition.



This view shows the interior of one of the two multi-bolt manways. Small blisters roughly 1/8" in diameter are scattered across the manway but coatings have not been broken.



MISSION HILLS COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Mission Hills Community Services District Board of Directors

FROM: Jerry Gruber, General Manager

DATE: August 18, 2021

SUBJECT: Discussion and Consideration of a Consultant Services Agreement with Phoenix Civil Engineering for Preparation of Technical Specifications for Pipeline Cleaning and Closed Circuit Television Inspections

Recommendation:

Staff recommends that the Board of Directors discuss and consider approval of a Consultant Services Agreement with Phoenix Civil Engineering for preparation of technical specifications for sewer pipeline cleaning and closed circuit television inspections.

Fiscal Impact:

The project will be performed on a time and material basis for a note to exceed fee of \$10,060. Funding is available as part of the fiscal year 2021/2022 wastewater department budget under cleaning and video taping of sewer lines.

Discussion:

The District has 76,000 linear feet of sewer pipeline in its sewer collection system and there is no record of a closed circuit television ("CCTV") inspection of the entire collection system. A CCTV inspection of the sewer collection system should be periodically undertaken in order to gain a full understanding of the condition and needs of the system. It will allow the District to prioritize areas for pipeline cleaning, maintenance and replacement in order to operate the system most efficiently. A CCTV inspection can reveal problems where the pipe is damaged or is experiencing tree root intrusion. As pipes age, they tend to become more brittle and are more susceptible to cracking as the ground shifts around them. In many cases, there are not mechanical fittings holding sections of pipe together, rather it is the soil compacted around these pipes that holds them in place. Minor shifts in soils over time may cause these joints to separate slightly. Both cases of cracking and joint separation can create an opening in a pipe that becomes attractive for tree roots seeking water. It may begin as a hairline root, but these grow and multiply, causing the crack in the pipe to become larger. Soon, a large mass of roots can develop inside a sanitary sewer pipe. The roots grow so tightly together that they can significantly block the flow of water in a pipe, creating the potential for a backup and expensive sewage spills. Common issues that may occur in the sewer systems over time may include: offset joints, broken or damaged pipes, tree root intrusion and clogs from debris. These conditions lead to inflow and infiltration. Inflow and infiltration is excess water that flows into sewer pipes from groundwater and stormwater that

can significantly increase treatment costs. Sewer collection systems can be damaged when they are forced to transport more flow than they are designed to handle.

Phoenix Civil Engineering has provided a proposal for assisting the District with preparing the sewer main cleaning and CCTV technical specifications and a multi-year system cleaning program. The proposal is for the creation of technical specifications to be used to combine with a set of District contract documents to bid out to prospective contractors for sewer cleaning, inspection and condition assessment services through the use of CCTV. Additionally, the proposal covers services to prepare a District wide pipeline cleaning and CCTV multiyear program that will assist in management of the process as well as budgeting for current and future years. Once data from the video inspection is collected, the District will conduct a risk analysis to prioritize areas for maintenance/repair and replacement in order to operate the collection system most efficiently.

Attachment:

- 1) Mission Hills Community Services District- Proposal for Sewer pipe Cleaning and CCTV Inspection Technical Specifications and Multi-year cleaning program development Assistance.

- 2) AGREEMENT FOR CONSULTANT SERVICES

(Sewer Pipe Cleaning, CCTV Inspection Technical Specification and Multi-Year Cleaning Program Development Assistance)

Phoenix Civil Engineering, Inc.



535 East Main Street Santa Paula, California 93060 805.658.6800
info@phoenixcivil.com www.phoenixcivil.com

Jerry Gruber
General Manager
Mission Hills Community Services District
1550 Burton Mesa Blvd
Lompoc, CA 93436

August 5, 2021

Mission Hills Community Services District – Proposal for Sewer Pipe Cleaning and CCTV Inspection Technical Specification and Multi-year Cleaning Program Development Assistance

Dear Jerry-

I am pleased to provide you with this proposal for assisting you with preparing the sewer main cleaning and CCTV technical specification and multi-year system cleaning program development for the Mission Hills Community Services District (District). The proposal is for the creation of a technical specification to be used to combine with a set of District Contract Documents to bid out to prospective contractors for sewer cleaning, inspection and condition assessment services through the use of closed-circuit television (CCTV). This proposal includes compiling the Contract Documents for the first District project. Additionally, this proposal covers services to prepare a District wide cleaning and CCTV multi-year program that will assist in management of the process as well as budgeting for current and future years.

I appreciate the opportunity to submit this proposal to assist you with District projects. I have attached a scope of services and our professional services rate sheet.

Please let me know if you have any questions or would like to discuss my proposal.

Sincerely,

Jon Turner, PE
Principal Engineer

Scope of Services

Background/Project Understanding

The proposal is for the creation of a technical specification to be used to combine with a set of District Contract Documents to bid out to prospective contractors for sewer cleaning, inspection and condition assessment services through the use of closed-circuit television (CCTV). This proposal includes compiling the Contract Documents for the first District project. Additionally, this proposal covers services to prepare a District wide cleaning and CCTV multi-year program that will assist in management of the process as well as budgeting for current and future years. Based on our discussions, I have prepared my proposal to include the following:

Task 101: CCTV Technical Specification Preparation

This task includes the preparation of a technical specification to be used by the District to solicit proposals from qualified contractors to perform the pipeline cleaning and CCTV inspection activities. Once the technical specification is reviewed and approved, a complete Contract Document package will be prepared for the District to advertise. Additionally, a proposed cleaning schedule and map will be provided in the RFP to aid the District in covering the entire system. The RFP will also outline the qualifications required to adequately conduct the CCTV work; including the methodology of evaluation, data collection, reporting criteria and minimum linear feet of similar inspection activities.

The following efforts are included in this task:

- Preparation of a technical specification for cleaning and CCTV services and one review meeting.
- Meeting (phone/internet) with the District to review the technical specification work product.
- Preparation of a system wide cleaning/CCTV multi-year program for future budgeting and implementation.

Deliverable: Documentation prepared as part of this task will be transmitted to the District in electronic format (.pdf and Word).

Fee Estimate Summary

Work associated with the project is estimated to be on a time and material basis for a not to exceed fee of \$10,060.

Assumptions

- Bid and/or Construction Phase Services are not included in this proposal.
- Map preparation will be based on provided Atlas PDFs. No survey or CAD work is included in this proposal.
- District will provide their standard Contract Document front end documents to be compiled with the technical specification.

**AGREEMENT FOR CONSULTANT SERVICES
(Sewer Pipe Cleaning, CCTV Inspection Technical Specification and Multi-Year
Cleaning Program Development Assistance)**

This AGREEMENT FOR CONSULTANT SERVICES (“Agreement”) is made and effective as of August, 2021, between **PHOENIX CIVIL ENGINEERING, INC.** (“Consultant”), and the **MISSION HILLS COMMUNITY SERVICES DISTRICT**, a political subdivision of the State of California (“District”). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. **TERM**

This Agreement shall commence on August ____, 2021 and shall remain and continue in effect until the services and tasks set forth in Consultant’s Proposal (the “Proposal”) have been completed, unless sooner terminated pursuant to the provisions of this Agreement.

2. **SERVICES**

Consultant shall perform the tasks described in and comply with all terms and provisions set forth in Consultant’s Proposal for Sanitary Sewer Management Plan Update dated August 5, 2021, attached hereto as Exhibit “A,” and incorporated herein by this reference.

3. **PERFORMANCE**

Consultant shall at all times faithfully, competently and to the best of his/her ability, experience and talent, perform all tasks described herein. Consultant shall employ, at a minimum generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

4. **AGREEMENT ADMINISTRATION**

District’s General Manager, Jerry Gruber, shall represent District in all matters pertaining to the administration of this Agreement. Jon Turner, Consultant’s Principal Engineer, shall represent Consultant in all matters pertaining to the administration of this Agreement.

5. **PAYMENT**

The District agrees to pay the Consultant an amount not to exceed \$10,060 for its service in accordance with the payment rates and terms set forth in Exhibit A.

6. **SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE**

(a) The District may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the District suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the District shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the District. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the District pursuant to Section 5.

7. **TERMINATION ON OCCURRENCE OF STATED EVENTS**

This Agreement shall terminate automatically on the occurrence of any of the following events:

- (a) Bankruptcy or insolvency of any party;
- (b) Sale of Consultant's business;
- (c) Assignment of this Agreement by Consultant without the consent of District; or
- (d) End of the Agreement term specified in Section 1.

8. **DEFAULT OF CONSULTANT**

(a) The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, District shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to the Consultant. If such failure by the Consultant to make progress in the performance of work hereunder arises out of causes beyond the Consultant's control, and without fault or negligence of the Consultant, it shall not be considered a default.

(b) If the District Manager or his/her delegate determines that the Consultant is in default in the performance of any of the terms or conditions of this Agreement, he/she shall cause to be served upon the Consultant a written notice of the default. The Consultant shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the District shall have the right,

notwithstanding any other provision of this Agreement to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

9. **LAWS TO BE OBSERVED.** Consultant shall:

(a) Procure all permits and licenses, pay all charges and fees, and give all notices which may be necessary and incidental to the due and lawful prosecution of the services to be performed by Consultant under this Agreement;

(b) Keep itself fully informed of all existing and proposed federal, state and local laws, ordinances, regulations, orders, and decrees which may affect those engaged or employed under this Agreement, any materials used in Consultant's performance under this Agreement, or the conduct of the services under this Agreement;

(c) At all times observe and comply with, and cause all of its employees to observe and comply with all of said laws, ordinances, regulations, orders, and decrees mentioned above;

(d) Immediately report to the District's General Manager in writing any discrepancy or inconsistency it discovers in said laws, ordinances, regulations, orders, and decrees mentioned above in relation to any plans, drawings, specifications, or provisions of this Agreement; and

(e) The District, and its officers, agents and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

10. **OWNERSHIP OF DOCUMENTS**

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by District that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of District or its designees at reasonable times to such books and records; shall give District the right to examine and audit said books and records; shall permit District to make transcripts therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to

be performed pursuant to this Agreement shall become the sole property of the District and may be used, reused, or otherwise disposed of by the District without the permission of the Consultant. With respect to computer files, Consultant shall make available to the District, at the Consultant's office and upon reasonable written request by the District, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files.

11. **INDEMNIFICATION**

(a) Indemnification for Professional Liability. When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless District and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or subcontractors (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this agreement.

(b) Indemnification for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless District, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

(c) General Indemnification Provisions. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this agreement. In the event Consultant fails to obtain such indemnity obligations from others as required here, Consultant agrees to be fully responsible according to the terms of this section. Failure of District to monitor compliance with these requirements imposes no additional obligations on District and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend District as set forth here is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this agreement or this section.

(d) Indemnification for Design Professional Services. Notwithstanding anything herein to the contrary, to the fullest extent permitted by law for all design professional services arising under this Agreement, Consultant shall indemnify, protect, defend and hold harmless District and any and all of its officials, employees and agents

("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs which arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

12. **INSURANCE**

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit "B," attached hereto and incorporated herein as though set forth in full.

13. **INDEPENDENT CONSULTANT**

(a) Consultant is and shall at all times remain as to the District a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither District nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the District. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against District, or bind District in any manner.

(b) No employee benefits shall be available to Consultant in connection with performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, District shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for District. District shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

14. **UNDUE INFLUENCE**

Consultant declares and warrants that no undue influence or pressure was or is used against or in concert with any officer or employee of the Mission Hills Community Services District in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the Mission Hills Community Services District will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the District to any and all remedies at law or in equity.

15. **NO BENEFIT TO ARISE TO LOCAL EMPLOYEES**

No member, officer, or employee of District, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the project performed under this Agreement.

16. **RELEASE OF INFORMATION/CONFLICTS OF INTEREST**

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without District's prior written authorization. Consultant, its officers, employees, agents, or subcontractors, shall not without written authorization from the General Manager or unless requested by the District Counsel, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the District. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives District notice of such court order or subpoena.

(b) Consultant shall promptly notify District should Consultant, its officers, employees, agents, or subContractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the District. District retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding. Consultant agrees to cooperate fully with District and to provide the opportunity to review any response to discovery requests provided by Consultant. However, District's right to review any such response does not imply or mean the right by District to control, direct, or rewrite said response.

17. **NOTICES**

Any notice which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To District: Jerry Gruber, General Manager
Mission Hills Community Services District
1550 Burton Mesa Blvd
Lompoc, CA 93436

Copy to: Timothy J. Carmel
Carmel & Naccasha, LLP
694 Santa Rosa Street
San Luis Obispo, CA 93401

To Consultant: Phoenix Civil Engineering, Inc.
535 East Main Street
Santa Paula, CA 93060

18. **ASSIGNMENT**

The Consultant shall not assign the performance of this Agreement, nor any part thereof, without the prior written consent of the District.

19. **GOVERNING LAW**

The District and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the superior or federal district court with jurisdiction over the Mission Hills Community Services District.

20. **ENTIRE AGREEMENT**

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

21. **TIME**

District and Consultant agree that time is of the essence in this Agreement.

22. **CONTENTS OF PROPOSAL**

Consultant is bound by the contents of the Proposal submitted by the Consultant, Exhibit "A," attached hereto and previously incorporated herein.

23. **CONSTRUCTION**

The parties agree that each has had an opportunity to have their counsel review this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments or exhibits thereto. The captions of the sections are for convenience and reference only, and are not intended to be construed to define or limit the provisions to which they relate.

24. **AMENDMENTS**

Amendments to this Agreement shall be in writing and shall be made only with the mutual written consent of all of the parties to this Agreement.

25. **AUTHORITY TO EXECUTE THIS AGREEMENT**

The person or persons executing this Agreement on behalf of Consultant warrants and represents that he/she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

MISSION HILLS COMMUNITY SERVICES DISTRICT

PHOENIX CIVIL ENGINEERING, INC.

By: _____
Jerry Gruber, General Manager

By: _____
Jon Turner, Principal Engineer

ATTEST:

Lupe Huitron, Board Secretary

Approved As To Form:

Timothy J. Carmel, District Counsel

EXHIBIT A

CONSULTANT'S PROPOSAL AND FEE ESTIMATE

EXHIBIT B

INSURANCE REQUIREMENTS

Prior to the beginning of and throughout the duration of the Work, Consultant will maintain insurance in conformance with the requirements set forth below. Consultant will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Consultant agrees to amend, supplement or endorse the existing coverage to do so. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to District in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to District.

Consultant shall provide the following types and amounts of insurance:

Commercial General Liability Insurance using Insurance Services Office “Commercial General Liability” policy from CG 00 01 or the equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Business Auto Coverage on ISO Business Auto Coverage from CA 00 01 including symbol 1 (Any Auto) or the equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Consultant owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Consultant or Consultant’s employees will use personal autos in any way on this project, Consultant shall provide evidence of personal auto liability coverage for each such person.

Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer’s liability limits no less than \$1,000,000 per accident or disease.

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designated to protect against acts, errors or omissions of the Consultant and “Covered Professional Services” as designated in the policy must specifically include work performed under this agreement. The policy limit shall be no less than \$1,000,000 per claim and in the aggregate. The policy must “pay on behalf of” the insured and must include a provision establishing the insurer’s duty to defend the insured. The policy retroactive date shall be on or before the effective date of this agreement.

Insurance procured pursuant to these requirements shall be written by insurer that are admitted carriers in the state California and with an A.M. Best's rating of A- or better and a minimum financial size VII.

General conditions pertaining to provision of insurance coverage by Consultant. Consultant and District agree to the following with respect to insurance provided by Consultant:

1. Consultant agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds District, its officials employees and agents, using standard ISO endorsement No. CG 2010 with an edition prior to 1992 or current equivalent. Consultant also agrees to require all consultants, and subcontractors to do likewise.

2. No liability insurance coverage provided to comply with this Agreement shall prohibit Consultant, or Consultant's employees, or agents, from waiving the right of subrogation prior to a loss. Consultant agrees to waive subrogation rights against District regardless of the applicability of any insurance proceeds, and to require all Consultants and subcontractors to do likewise.

3. All insurance coverage and limits provided by Consultant and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the District or its operations limits the application of such insurance coverage.

4. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to District and approved of in writing.

5. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any Consultant or subcontractor.

6. All coverage types and limits required are subject to approval, modification and additional requirements by the District, as the need arises. Consultant shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect District's protection without District's prior written consent.

7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Consultant's general liability policy, shall be delivered to District at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, District has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other

agreement and to pay the premium. Any premium so paid by District shall be charged to and promptly paid by Consultant or deducted from sums due Consultant, at District option.

8. Certificate(s) are to reflect that the insurer will provide 30 days notice to District of any cancellation of coverage. Consultant agrees to require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, or that any party will “endeavor” (as opposed to being required) to comply with the requirements of the certificate.

9. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by Consultant or any subcontractor, is intended to apply first and on a primary, noncontributing basis in relation to any other insurance or self insurance available to District.

10. Consultant agrees to ensure that subcontractors, and any other party involved with the project that is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the project will be submitted to District for review.

11. Consultant agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any Consultant, subcontractor, Architect, Engineer or other entity or person in any way involved in the performance of work on the project contemplated by this agreement to self-insure its obligations to District. If Consultant’s existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the District. At the time the District shall review options with the Consultant, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.

12. The District reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the District will negotiate additional compensation proportional to the increase benefit to District.

13. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.

14. Consultant acknowledges and agrees that any actual or alleged failure on the part of District to inform Consultant of non-compliance with any insurance

requirements in no way imposes any additional obligations on District nor does it waive any rights hereunder in this or any other regard.

15. Consultant will renew the required coverage annually as long as District, or its employees or agents face an exposure from operations of any type pursuant to this agreement. This obligation applies whether or not the agreement is canceled or terminated for any reason. Termination of this obligation is not effective until District executes a written statement to that effect.

16. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Consultant's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to District within five days of the expiration of the coverages.

17. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to District, its employees, officials and agents.

18. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.

19. These insurance requirements are intended to be separate and distinct from any other provision in this Agreement and are intended by the parties here to be interpreted as such.

20. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.

21. Consultant agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge District or Consultant for the cost of additional insurance coverage required by this agreement. Any such provisions are to be deleted with reference to District. It is not the intent of District to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against District for payment of premiums or other amounts with respect thereto.

22. Consultant agrees to provide immediate notice to District of any claim or loss against Consultant arising out of the work performed under this agreement. District assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve District.



MISSION HILLS COMMUNITY SERVICES DISTRICT

7. Board of Directors may ask a question for clarification, make an announcement, or report briefly on recent activities or conferences. Also, Directors may provide a reference to staff or other resources for information, request the Board President consider placing an item on a future committee meeting or regular meeting.

- A. General Manager Report
- B. Director's Comments
- C. Public Comments

LAST PAGE OF BOARD PACKET