

**CONSULTING SERVICES AGREEMENT BETWEEN
THE CITY OF MILPITAS AND
WATER SOLUTIONS INCORPORATED**

THIS AGREEMENT for consulting services is made by and between the City of Milpitas, a municipal corporation of the State of California referred to herein as the (“City”), and Water Solutions, Incorporated, a Delaware Corporation (“Consultant”) as of June 16, 2015.

AGREEMENT

Section 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to City the services described in the Scope of Work attached as Exhibit A at the time and place and in the manner specified therein. In the event of a conflict in or inconsistency between the terms of this Agreement and Exhibit A, the Agreement shall prevail.

- 1.1 **Term of Services.** The term of this Agreement shall begin on the date first noted above and shall end on December 31, 2016, the date of completion specified in Exhibit A, and Consultant shall complete all the work described in Exhibit A prior to that date, unless the term of the Agreement is otherwise terminated or extended, as provided for in Section 8. The time provided to Consultant to complete the services required by this Agreement shall not affect the City’s right to terminate the Agreement, as provided for in Section 8.
- 1.2 **Standard of Performance.** Consultant shall perform all services required pursuant to this Agreement in the manner and according to the professional standards normally observed by a practitioner of the profession in which Consultant is engaged in the geographical area in which Consultant practices its profession. Consultant shall prepare all work products required by this Agreement in a substantial manner and shall conform to the professional standards of quality normally observed by a person practicing in Consultant's profession.
- 1.3 **Professional Skill.** It is mutually agreed by the parties that City is relying upon the professional skill of the consultant as a specialist in the work, and Consultant represents to the City that its work shall conform to the normal professional standards of the profession. Acceptance of the Consultant's work by the City does not operate as a release of Consultant's representations. It is intended that Consultant's work shall conform to normal standards of accuracy, completeness and coordination.
- 1.4 **Assignment of Personnel.** Consultant shall assign only competent personnel to perform services pursuant to this Agreement. Exhibit A shall name any specific personnel who shall be performing services. In the event that City, in its sole discretion, at any time during the term of this Agreement, desires the reassignment

of any such persons, Consultant shall, immediately upon receiving notice from City of such desire of City, reassign such person or persons.

- 1.5 **Time.** Consultant shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided in Section 1.1 above and to complete Consultant's obligations hereunder.

Section 2. COMPENSATION. City hereby agrees to pay Consultant an amount not to exceed Four Hundred Twenty Seven Thousand dollars (\$427,000.00) based on time and materials for all services to be performed and reimbursable costs incurred under this Agreement. City shall pay Consultant for services rendered pursuant to this Agreement at the time and in the manner set forth herein. The payments specified below shall be the only payments from City to Consultant for services rendered pursuant to this Agreement. Consultant shall submit all invoices to City in the manner specified herein. Except as specifically authorized by City, Consultant shall not bill City for duplicate services performed by more than one person.

Consultant and City acknowledge and agree that compensation paid by City to Consultant under this Agreement is based upon Consultant's estimated costs of providing the services required hereunder, including salaries and benefits of employees and subcontractors of Consultant. Hourly rates for personnel performing services shall be as shown in Exhibit B. Consequently, the parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities to which Consultant and its employees, agents, and subcontractors may be eligible. City therefore has no responsibility for such contributions beyond compensation required under this Agreement.

- 2.1 **Invoices.** Consultant shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred during the billing period. Invoices shall contain the following information:

- Serial identification of bills;
- The beginning and ending dates of the billing period;
- A Task Summary containing the original contract amount, the amount of prior billings, the total due this period, the balance available under the Agreement, and the percentage of completion, if applicable;
- At City's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense;
- The total number of hours of work performed under the Agreement by Consultant and each employee, agent, and subcontractor of Consultant performing services hereunder, as well as a separate notice when the total number of hours of work by Consultant and any individual employee, agent, or subcontractor of Consultant reaches or exceeds 800 hours,

which shall include an estimate of the time necessary to complete the work described in Exhibit A;

- The Consultant's signature.

2.2 Monthly Payment. City shall make monthly payments, based on invoices received, for services satisfactorily performed, and for authorized reimbursable costs incurred. City shall have thirty (30) days from the receipt of an invoice that complies with all of the requirements above and is otherwise acceptable to the City to pay Consultant. Ten (10) percent shall be retained by the City from each Agreement billing until the completion of the Agreement unless authorized differently by City. In the event that an invoice is not acceptable to the City, said invoice shall be returned to Consultant within thirty (30) days of the City's receipt of the invoice with a detailed explanation of the deficiency. City's obligation to pay a returned invoice shall not arise earlier than thirty (30) days after resubmission of the corrected invoice.

2.3 Total Payment. City shall pay for the services to be rendered by Consultant pursuant to this Agreement. City shall not pay any additional sum for any expense or cost whatsoever incurred by Consultant in rendering services pursuant to this Agreement. City shall make no payment for any extra, further, or additional service pursuant to this Agreement.

In no event shall Consultant submit any invoice for an amount in excess of the maximum amount of compensation provided above either for a task or for the entire Agreement, unless the Agreement is modified prior to the submission of such an invoice by a properly executed change order or amendment. In the event that Consultant identifies additional work outside the scope of services specified in Exhibit A that may be required to complete the work required under this Agreement, Consultant shall immediately notify the City and shall provide a written not-to-exceed price for performing this additional work.

2.4 Hourly Fees. Fees for work performed by Consultant on an hourly basis shall not exceed the amounts shown on Exhibit B.

2.5 Payment of Taxes. Consultant is solely responsible for the payment of employment taxes incurred under this Agreement and any other applicable federal or state taxes.

2.6 Reimbursable Expenses. Expenses not listed in Exhibit B are not chargeable to City. Reimbursable expenses are included in the total not-to-exceed amount of compensation provided under this Agreement.

2.7 Payment upon Termination. In the event that the City or Consultant terminates this Agreement pursuant to Section 8, the City shall compensate the Consultant for all outstanding costs and reimbursable expenses incurred for work satisfactorily

completed as of the date of written notice of termination. Consultant shall maintain adequate logs and timesheets in order to verify costs incurred to that date. The City shall have no obligation to compensate Consultant for work not verified by logs or timesheets.

- 2.8 Authorization to Perform Services.** The Consultant is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of a written Notice to Proceed from the City for each task set forth in Exhibit A and Exhibit B, and for each optional task set forth in Exhibit A and Exhibit B.

Section 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Consultant shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the services required by this Agreement. City shall make available to Consultant only the facilities and equipment listed in this section, and only under the terms and conditions set forth herein.

City shall furnish physical facilities such as desks, filing cabinets, and conference space, as may be reasonably necessary for Consultant's use while consulting with City employees and reviewing records and the information in possession of the City. The location, quantity, and time of furnishing those facilities shall be in the sole discretion of City. In no event shall City be obligated to furnish any facility that may involve incurring any direct expense, including but not limited to computer, cellular telephone, long-distance telephone, or other communication charges, vehicles, and reproduction facilities.

If the performance of the work specified in Exhibit A requires destructive testing or other work within the City's public right-of-way, Consultant, or Consultant's subconsultant, shall obtain an encroachment permit from the City.

Section 4. INSURANCE REQUIREMENTS. Before beginning any work under this Agreement, Consultant shall procure "occurrence coverage" insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the Consultant and its agents, representatives, employees, and subcontractors. Consultant shall provide proof satisfactory to City of such insurance that meets the requirements of this section and under forms of insurance satisfactory in all respects to the City. Consultant shall maintain the insurance policies required by this section throughout the term of this Agreement and shall produce said policies to the City upon demand. The cost of such insurance shall be included in the Consultant's price. Consultant shall not allow any subcontractor to commence work on any subcontract until Consultant has obtained all insurance required herein for the subcontractor(s) and provided evidence thereof to City. Verification of the required insurance shall be submitted and made part of this Agreement prior to execution. The insurance documents shall be included as Exhibit C.

- 4.1 Workers' Compensation.** Consultant shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Consultant. The Statutory Workers' Compensation Insurance and Employer's Liability

Insurance shall be provided with limits of not less than ONE MILLION DOLLARS (\$1,000,000.00) per accident. In the alternative, Consultant may rely on a self-insurance program to meet those requirements, but only if the program of self-insurance complies fully with the provisions of the California Labor Code. Determination of whether a self-insurance program meets the standards of the Labor Code shall be solely in the discretion of the City Attorney. The insurer, if insurance is provided, or the Consultant, if a program of self-insurance is provided, shall waive all rights of subrogation against the City and its officers, officials, employees, and volunteers for loss arising from work performed under this Agreement.

An endorsement shall state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

4.2 Commercial General and Automobile Liability Insurance.

4.2.1 General requirements. Consultant, at its own cost and expense, shall maintain commercial general and automobile liability insurance for the term of this Agreement in an amount not less than ONE MILLION DOLLARS (\$1,000,000.00) per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. If a Commercial General Liability Insurance or an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

4.2.2 Minimum scope of coverage. Commercial general coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (ed. 11/88) or Insurance Services Office form number GL 0002 (ed. 1/73) covering comprehensive General Liability and Insurance Services Office form number GL 0404 covering Broad Form Comprehensive General Liability. Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (ed. 12/90) Code 1 ("any auto"). No endorsement shall be attached limiting the coverage.

4.2.3 Additional requirements. Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:

- a. City and its officers, employees, agents, contractors, consultants, and volunteers shall be covered as insureds with respect to each of the following: liability arising out of activities performed by or on behalf of Consultant, including the insured's general supervision of Consultant; products and completed operations of Consultant; premises owned, occupied, or used by Consultant; and automobiles owned, leased, or used by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to City or its officers, employees, agents, contractors, consultants, or volunteers.
- b. The insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.
- c. An endorsement must state that coverage is primary insurance with respect to the City and its officers, officials, employees, contractors, consultants, and volunteers, and that no insurance or self-insurance maintained by the City shall be called upon to contribute to a loss under the coverage.
- d. Any failure of CONSULTANT to comply with reporting provisions of the policy shall not affect coverage provided to CITY and its officers, employees, agents, and volunteers.
- e. An endorsement shall state that coverage shall not be suspended, voided, or canceled by either party, reduced in coverage or in limits, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

4.3 Professional Liability Insurance. If Consultant shall be performing licensed professional services, Consultant shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than TWO MILLION DOLLARS (\$2,000,000) covering the licensed professionals' errors and omissions.

4.3.1 Any deductible or self-insured retention shall not exceed \$150,000 per claim.

4.3.2 An endorsement shall state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

- 4.3.3 The policy must contain a cross liability clause.
- 4.3.4 The following provisions shall apply if the professional liability coverages are written on a claims-made form:
- a. The retroactive date of the policy must be shown and must be before the date of the Agreement.
 - b. Insurance must be maintained and evidence of insurance must be provided for at least three years after completion of the Agreement or the work, unless waived in writing by the City.
 - c. If coverage is canceled or not renewed and it is not replaced with another claims-made policy form with a retroactive date that precedes the date of this Agreement, Consultant must provide extended reporting coverage for a minimum of five years after completion of the Agreement or the work. The City shall have the right to exercise, at the Consultant's sole cost and expense, any extended reporting provisions of the policy, if the Consultant cancels or does not renew the coverage.
 - d. A copy of the claim reporting requirements must be submitted to the City prior to the commencement of any work under this Agreement.

4.4 **Requirements for All Policies.**

- 4.4.1 **Acceptability of insurers.** All insurance required by this section is to be placed with insurers with a Bests' rating of no less than A.
- 4.4.2 **Verification of coverage.** Prior to beginning any work under this Agreement, Consultant shall furnish City with certificates of insurance and with original endorsements effecting coverage required herein. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The City reserves the right to require complete, certified copies of all required insurance policies at any time.
- 4.4.3 **Subcontractors.** Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.
- 4.4.4 **Deductibles and Self-Insured Retentions.** Consultant shall disclose to and obtain the approval of City for the self-insured retentions and

deductibles before beginning any of the services or work called for by any term of this Agreement.

During the period covered by this Agreement, only upon the prior express written authorization of the City, Consultant may increase such deductibles or self-insured retentions with respect to City, its officers, employees, agents, contractors, consultants, and volunteers. The City may condition approval of an increase in deductible or self-insured retention levels with a requirement that Consultant procure a bond, guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to the City.

4.4.5 Notice of Reduction in Coverage. In the event that any coverage required by this section is reduced, limited, or materially affected in any other manner, Consultant shall provide written notice to City at Consultant's earliest possible opportunity and in no case later than five days after Consultant is notified of the change in coverage.

4.5 Remedies. In addition to any other remedies City may have if Consultant fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option exercise any of the following remedies, which are alternatives to other remedies City may have and are not the exclusive remedy for Consultant's breach:

- Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;
- Order Consultant to stop work under this Agreement or withhold any payment that becomes due to Consultant hereunder, or both stop work and withhold any payment, until Consultant demonstrates compliance with the requirements hereof; and/or
- Declare Consultant in material breach of the Agreement and terminate the Agreement.

4.6 Waiver. The Risk Manager of the City has the authority to waive or vary any provision of Sections 4.2 through 4.5. Any such waiver or variation shall not be effective unless made in writing.

Section 5. INDEMNIFICATION AND CONSULTANT'S RESPONSIBILITIES. Consultant shall indemnify, defend with counsel reasonably acceptable to the City, and hold harmless the City and its officials, officers, employees, agents, contractors, consultants, and volunteers from and against any and all losses, liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any

federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct or negligent acts or omissions of Consultant or its employees, subcontractors, or agents, by acts for which they could be held strictly liable, or by the quality or character of their work. The foregoing obligation of Consultant shall not apply when (1) the injury, loss of life, damage to property, or violation of law arises wholly from the negligence or willful misconduct of the City or its officers, employees, agents, contractors, consultants, or volunteers and (2) the actions of Consultant or its employees, subcontractor, or agents have contributed in no part to the injury, loss of life, damage to property, or violation of law. It is understood that the duty of Consultant to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Consultant acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Section 6. STATUS OF CONSULTANT.

- 6.1 Independent Contractor.** At all times during the term of this Agreement, Consultant shall be an independent contractor and shall not be an employee of City. City shall have the right to control Consultant only insofar as the results of Consultant's services rendered pursuant to this Agreement and assignment of personnel pursuant to Subparagraph 1.3. Otherwise, City shall not have the right to control the means by which Consultant accomplishes services rendered pursuant to this Agreement. Notwithstanding any other City, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of City and entitlement to any contribution to be paid by City for employer contributions and/or employee contributions for PERS benefits.
- 6.2 Consultant No Agent.** Except as City may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of City in any capacity

whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

Section 7. LEGAL REQUIREMENTS.

- 7.1 **Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 **Compliance with Applicable Laws.** Consultant and any subcontractors shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 **Other Governmental Regulations.** To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, Consultant and any subcontractors shall comply with all applicable rules and regulations to which City is bound by the terms of such fiscal assistance program.
- 7.4 **Licenses and Permits.** Consultant represents and warrants to City that Consultant and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions. Consultant represents and warrants to City that Consultant and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions and to perform this Agreement. In addition to the foregoing, Consultant and any subcontractors shall obtain and maintain during the term of this Agreement valid business license from City.
- 7.5 **Nondiscrimination and Equal Opportunity.** Consultant shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Consultant under this Agreement. Consultant shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including but not limited to the satisfaction of any positive obligations required of Consultant thereby.

Consultant shall include the provisions of this Subsection in any subcontract approved by the City or this Agreement.

Section 8. TERMINATION AND MODIFICATION.

- 8.1 **Termination.** City may terminate this Agreement at any time and without cause upon written notification to Consultant.

In the event of termination, Consultant shall be entitled to compensation for services performed prior to the effective date of termination as provided in Section 2. City, however, may condition payment of such compensation upon Consultant delivering to City any or all documents, photographs, computer software, video and audio tapes, and other materials provided to Consultant or prepared by or for Consultant or the City in connection with this Agreement.

- 8.2 Extension.** City may, in its sole and exclusive discretion, extend the end date of this Agreement beyond that provided for in Subsection 1.1. Any such extension shall require a written amendment to this Agreement, as provided for herein. Consultant understands and agrees that, if City grants such an extension, City shall have no obligation to provide Consultant with compensation beyond the maximum amount provided for in this Agreement. Similarly, unless authorized by the City, City shall have no obligation to reimburse Consultant for any otherwise reimbursable expenses incurred during the extension period.
- 8.3 Amendments.** The parties may amend this Agreement only by a writing signed by all the parties.
- 8.4 Assignment and Subcontracting.** City and Consultant recognize and agree that this Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to City for entering into this Agreement was and is the professional reputation and competence of Consultant. Consultant may not assign this Agreement or any interest therein without the prior written approval of the City. Consultant shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors listed in the Consultant's proposal, without prior written approval of the City.
- 8.5 Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between City and Consultant shall survive the termination of this Agreement.
- 8.6 Options upon Breach by Consultant.** If Consultant materially breaches any of the terms of this Agreement, City's remedies shall include, but not be limited to, any or all of the following:
- 8.6.1** Immediate cancellation of the Agreement;
 - 8.6.2** Retention of the plans, specifications, drawings, reports, design documents, and any other work product prepared by Consultant pursuant to this Agreement prior to cancellation; and

8.6.3 Retention of a different consultant at Consultant's cost to complete the work described in Exhibit A not finished by Consultant.

Section 9. KEEPING AND STATUS OF RECORDS.

9.1 **Records Created as Part of Consultant's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Consultant prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the City. Consultant hereby agrees to deliver those documents to the City at any time upon demand of the City. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use. Failure by Consultant to deliver these documents to the City within the time period specified by the City shall be a material breach of this Agreement. City and Consultant agree that, until final approval by City, all data, plans, specifications, reports and other documents are preliminary drafts not kept by the City in the ordinary course of business and will not be disclosed to third parties without prior written consent of both parties.

9.2 **Consultant's Books and Records.** Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement.

9.3 **Inspection and Audit of Records.** Any records or documents that Section 9.2 of this Agreement requires Consultant to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the City. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds TEN THOUSAND DOLLARS (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of City or as part of any audit of the City, for a period of three (3) years after final payment under the Agreement.

Section 10 MISCELLANEOUS PROVISIONS.

10.1 **Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

- 10.2 Venue.** In the event that either party brings any action against the other under this Agreement, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Santa Clara or in the United States District Court for the Northern District of California.
- 10.3 Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 10.4 No Implied Waiver of Breach.** The waiver of performance or any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 10.5 Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the parties.
- 10.6 Use of Recycled Products.** Consultant shall prepare and submit all reports, written studies and other printed material on recycled paper to the extent it is available at equal or less cost than virgin paper.
- 10.7 Conflict of Interest.** Consultant may serve other clients, but none whose activities within the corporate limits of City or whose business, regardless of location, would place Consultant in a “conflict of interest,” as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

Consultant shall not employ any City official in the work performed pursuant to this Agreement. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

Consultant hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the City. If Consultant were an employee, agent, appointee, or official of the City in the previous twelve months, Consultant warrants that it did not participate in any manner in the forming of this Agreement. Consultant understands that, if this Agreement is made in violation of Government Code §1090 *et seq.*, the entire Agreement is void and Consultant shall not be entitled to any compensation for services performed pursuant to this Agreement, including reimbursement of expenses, and Consultant shall be required to reimburse the City for any sums paid to the Consultant. Consultant understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090

and, if applicable, may be disqualified from holding public office in the State of California.

Consultant certifies that it has not paid any direct or contingent fee, contribution, donation or consideration of any kind to any firm, organization, or person (other than a bona fide employee of Consultant) in connection with procuring this Agreement, nor has Consultant agreed to employ or retain any firm, organization, or person in connection with the performance of this Agreement as a condition for obtaining this Agreement.

10.8 Solicitation. Consultant agrees not to solicit business at any meeting, focus group, or interview related to this Agreement, either orally or through any written materials.

10.9 Contract Administration. This Agreement shall be administered by Michael Boitnott who is authorized to act for, and on behalf of, City. All correspondence shall be directed to or through the Contract Administrator or his or her designee.

10.10 Notices. Any written notice to Consultant shall be sent to:

Water Solutions
Glenn Reynolds, Principal-in-Charge
179 West Point Avenue
Half Moon Bay, California 94019

Any written notice to City shall be sent to:
Steven Machida, Director of Engineering
455 East Calaveras Boulevard
Milpitas, California 95035

10.11 Professional Seal. Where applicable in the determination of the City, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.

10.12 Integration. This Agreement, including the exhibits, represents the entire and integrated agreement between City and Consultant and supersedes all prior negotiations, representations, or agreements, either written or oral.

10.13 Exhibits. All exhibits and attachments to exhibits referenced in this Agreement are incorporated by reference herein.

CITY OF MILPITAS

CONSULTANT
Water Solutions, Inc.

Thomas C Williams, City Manager

Glenn Reynolds, Principal

Taxpayer Identification Number

94-3232995

APPROVED AS TO FORM:

Michael J. Ogaz, City Attorney

Corporate Entity Number

C2062749

APPROVED AS TO CONTENT:

Steven Machida, Director of Engineering

EXHIBIT A

SCOPE OF SERVICES FOR FUNDING PACKAGING OF GROUNDWATER WELL SYSTEM AND CONSERVATION SYSTEM

General Descriptions of Project:

This Project is a part of the City's efforts to respond to the ongoing drought by expanding the groundwater system and conservation system (smart meter and supervisory control and data acquisition (SCADA), leak detection system). The work includes conceptual design-preliminary engineering, environmental compliance documentation, and funding application services (Proposition 1, state loan or other) for the Potable Water Evaluation Project (Project). The Project involves the evaluation of groundwater well expansion, smart meter installation, SCADA, leak detection system and other conservation measure. The Project also includes coordination with City staff, manufacturer's representatives, and the State Water Resources Control Board Division of Drinking Water (DDW). Finally, the Project's necessary environmental approval, would include preparation of a CEQA-Plus or NOE document as describe below.

Task 1: Project Management

Consultant shall prepare monthly invoices, manage any subconsultants, and coordinate with the City's Project manager. Consultant shall monitor its activities against the Project schedule and track expenditures and progress against the scope of work.

Task 1 Deliverables:

Monthly invoice, progress report, and budget table.

Task 2: Groundwater Well Evaluation Technical Memorandum

Consultant shall prepare a Technical Memorandum (TM) evaluating:

- a. Next steps to be implemented for operation of Pinewood Well, including general house keeping, hardness reduction, disinfection, monitoring, etc.
- b. Next steps to be implemented for Curtis Well construction: pump, disinfection, hardness treatment and/or blending (on-site vs Gibraltar site) .
- c. Next steps for siting another well, including drilling of monitoring wells, pump testing, etc.
- d. It includes site visit evaluations for these items:
 - o Planning-level construction cost estimate
 - o Preliminary implementation schedule
 - o Operations & Maintenance considerations
 - o Constructability (risk)
 - o Impacts to the local environment: noise, traffic, construction traffic, etc
 - o Hydraulic capacity, including pump station hydraulics such as suction pressure, discharge head and flow
 - o Schedule for sequencing of system operations of well(s).
 - o Permitting support
 - o Anticipated space requirements and identification of sites with adequate space

- Identification of sites with appropriate access

Task 2 Deliverables:

- Preliminary site plan (autocad and .pdf format).
- Preliminary plans and technical specifications (.docx and .pdf format).
- Draft Technical Memorandum (.docx format).
- Final Technical Memorandum (.docx and .pdf format).

Task 3: Conservation System

Consultant shall prepare a Technical Memorandum (TM) evaluating:

- a. Smart meter installation on call technical advice
- b. Water system SCADA options
- c. Leak detection system options
- d. It includes site visit evaluations for these items:
 - Planning-level construction cost estimate
 - Preliminary implementation schedule
 - Operations & Maintenance considerations
 - Constructability (risk)
 - Impacts to the local environment: noise, traffic, construction traffic, etc
 - Schedule for sequencing of system operations for water supply system.
 - Permitting support
 - Anticipated space requirements and identification of sites with adequate space
 - Identification of sites with appropriate access

Task 3 Deliverables:

- Preliminary site plan (autocad and .pdf format).
- Preliminary plans and technical specifications (.docx and .pdf format).
- Draft Technical Memorandum (.docx format).
- Final Technical Memorandum (.docx and .pdf format).

Task 4: CEQA-Plus

Consultant shall prepare a Mitigated Negative Declaration (MND) or Notice of exemption (NOE) as necessary for the Project in compliance with the California Environmental Quality Act (CEQA). Consultant recommends including federal cross-cutting analysis in the MND, often referred to as “CEQA-Plus” documentation, which provides the City with streamlined CEQA clearance should federal or State Revolving Fund (SRF) financing be sought for construction. The work shall be completed under the following subtasks.

4.1 Project Description and Initial Study

CONSULTANT shall prepare a Project description suitable for CEQA compliance based on the technical memorandum completed in the above tasks. An electronic copy of the Project description shall be provided to the City for review. Once the City has approved the Project description,

CONSULTANT's team shall conduct a site reconnaissance visit to identify existing land uses and environmental conditions within the Project area.

CONSULTANT shall prepare an Initial Study in compliance with Appendix G of the CEQA Guidelines that identifies the potential environmental impacts of the Project, including brief supplemental comments which concisely describe those impacts and identify where mitigation is necessary. The Initial Study shall be organized by CEQA resource category and impacts shall be identified for each Project component. This scope of work assumes that completion of an Initial Study shall result in the conclusion that an MND is the appropriate CEQA compliance document for the proposed Project. In the event the Initial Study demonstrates additional environmental review or an Environmental Impact Report is required (which is not contemplated under this Agreement), the parties will meet and discuss the best approach to move the Project forward.

Due of the location of the Project being within existing disturbed areas primarily within existing streets or City parks, detailed analysis is not expected to be necessary to support the conclusion that the Project would not have significant impacts on aesthetics (i.e., Project-specific renderings of groundwater well station(s) are not included in the scope), recreation, utilities and service systems, public services, energy, geology and soils, hydrology and water quality, mineral and energy resources, or agricultural resources. Issues of concern shall be evaluated in greater detail. Impacts associated with air quality and traffic are expected to be largely confined to the construction period, and short-term traffic impacts would be treated as less than significant with incorporation of standard mitigation such as a traffic control plan. It is assumed that pump stations can be sited and designed so as to avoid issues with land use compatibility and operational noise impacts on any nearby sensitive receptors.

4.2 Environmental assessments or Investigations as necessary

CONSULTANT shall prepare any necessary stand-alone Assessment(s) that identifies and assesses potential impacts of the appropriate resources from the Project. Preparation of the Assessment shall include general site surveys to characterize the concerns that may occur adjacent to Project facilities. The Assessment shall evaluate the Project's compliance with federal resource regulations.

The MND shall also identify necessary permits with other State and local public agencies that might be affected by the Project.

Findings from the Assessment(s) shall be incorporated into the MND. An electronic copy of the Administrative Draft MND shall be provided to the City for review.

4.3 Prepare Public Draft MND and Notices

CONSULTANT shall respond to comments received from City staff and revise the Administrative Draft MND accordingly for review as the Screencheck Draft MND. An electronic copy of the Screencheck Draft MND shall be provided to the City for review. CONSULTANT shall respond to final comments received from City staff and finalize the Screencheck Draft MND accordingly for release as the Public Draft MND. This scope of work assumes that CITY comments received on the Screencheck Draft MND shall be limited to editorial and formatting changes, not new

substantive analysis. An electronic copy and up to 10 hard copies of the Public Draft MND shall be provided to the City.

CONSULTANT shall prepare a draft Notice of Intent (NOI) to adopt an MND in accordance with CEQA Guidelines §15072. CONSULTANT shall work with the City to identify the list of interested parties and responsible agencies who shall receive the NOI. CONSULTANT shall finalize and publish the NOI in the newspaper and shall be responsible for reproduction and distribution of the NOI to interested parties, responsible agencies, the County Clerk, and the State Clearinghouse.

If appropriate, a draft notice of exemption shall be prepared in lieu of draft MND for review by City.

4.4 Prepare Final MND, Mitigation Plan or Final NOE and Notices

Following receipt of public comments, CONSULTANT shall develop a matrix of comments received and recommended responses. As necessary and directed by the City, CONSULTANT shall revise the Public Draft MND based on comments received during the public review period. An electronic copy of the Public Draft MND shall be provided to the City. This scope of work assumes that the Final MND revisions shall not result in identification of significant environmental effects and thus shall not require recirculation of the document. If level of effort for responses to comments exceed that estimated in the budget CONSULTANT shall submit a request for amendment of scope and budget.

CONSULTANT shall prepare a Mitigation Monitoring and Reporting Program (Monitoring Plan) that contains the measures that are required as conditions of Project approval to avoid or reduce potential environmental impacts to less-than-significant levels. For any significant impact identified in the MND, the Monitoring Plan shall describe the required mitigation, the tasks and schedule necessary for monitoring compliance, and the entity responsible for each monitoring and reporting task. An electronic copy of the Draft Monitoring Plan shall be provided to the City for review. CONSULTANT shall respond to comments received from the City and revise the Monitoring Plan accordingly. An electronic copy of the Final Monitoring Plan shall be provided to the City.

CONSULTANT shall prepare a draft Notice of Determination (NOD) following approval of the Project, in accordance with CEQA Guidelines §15075. Following City review, CONSULTANT shall finalize and transmit the NOD to the County Clerk and State Clearinghouse.

CONSULTANT shall prepare a final Notice of Exemption (NOE) following approval of the Project, in accordance with CEQA Guidelines in lieu of NOD if appropriate. Following City review, CONSULTANT shall finalize and transmit the NOE to the County Clerk.

4.5 Communications and Presentations

CONSULTANT shall prepare for and attend up to four (4) Project meetings with the City at key points throughout the Project. The meetings are anticipated to include the following:

- To receive City comments on the Administrative Draft MND (staff meeting).
- To discuss public comments received on the Public Draft MND (staff meeting).
- To present the Final MND and Monitoring Plan to the Planning Commission and City Council.

CONSULTANT shall prepare an agenda and meeting notes for each staff meeting and a presentation for the Board hearing. At a minimum, CONSULTANT's CEQA task lead shall attend each meeting. It is assumed that other Project coordination can occur via email and conference calls, which may also include webbased presentations.

Task 4 Deliverables

- Draft and final Project Description and initial study (.pdf files).
- Draft and final Assessment(s) as appropriate (.pdf files; Hard copies as appendix to Public Draft MND).
- Administrative Draft MND for City review as appropriate (.pdf files).
- Screencheck Draft MND for City review as appropriate (.pdf files).
- Draft and final Notice of Intent (.pdf files; Hard copies mailed to interested parties, responsible agencies, County Clerk, and State Clearinghouse) as appropriate.
- Public Draft MND and cover letter to the State Clearinghouse for City reproduction and distribution (Microsoft Word and/or .pdf files and up to 10 hard copies) as appropriate.
- Final MND for City approval and certification (.pdf files and up to 10 hard copies).
- Draft and final Monitoring Plan (.pdf files) as appropriate.
- Draft and final Notice of Determination or Notice of Exemption (.pdf files; Hard copies mailed to County Clerk and State Clearinghouse)

Task 5: Funding Application and Coordination

CONSULTANT shall prepare an application for funding/financing under the Proposition 1 Drinking Water Funding Program, administered by the State Water Resources Control Board's Division of Financial Assistance. This scope of work assumes that the application shall be generally similar to the existing State Revolving Fund applications as suggested by the draft Guidelines that are currently available.

5.1 Kickoff and Review Existing Documents

One (1) two-hour kick-off meeting with City staff shall be conducted to collect information necessary for the application. CONSULTANT shall prepare an agenda and meeting notes for the staff meeting. It is anticipated that phone calls with City staff shall be adequate during preparation of the draft application and when responding to comments. This task involves a review of existing documents and available background information provided by the City on the Project. CONSULTANT shall also perform general Project management activities, including budget and schedule tracking, and preparation of monthly invoices and progress reports.

5.2 Prepare Project Report and Technical Package

The information in the technical memorandum being prepared under Tasks 2 and 3 may feed into the fund application packaging. CONSULTANT shall compile the following information in the Project Report format:

- Study area characteristics.
- Water supply characteristics and facilities.
- A cost-effectiveness evaluation of alternative Project concepts.
- An estimate of the total capital costs and annual operation and maintenance costs.
- A map of the service area.

- A written record of the required public meeting. A noticed public meeting is required to obtain public comment on the proposed Project and to discuss financial and environmental factors related to the Project.
- Documentation showing that the applicant has the legal, institutional, managerial, and financial capability to construct the proposed Project and to operate and maintain the Project facilities throughout their service life.
- A discussion of the selected alternative that includes the following:
 - A detailed description of the selected alternative.
 - A statement of the relevant design criteria.
 - The estimated construction cost and annual operation and maintenance cost, and a description of how the local costs shall be financed.
 - Dedication of an identified source of revenue to repay the loan (Required for loans only).
 - A discussion of the water quality and other non-monetary benefits of the Project.
 - A discussion of any interagency service agreements necessary to construct, operate, and maintain the system.
- An implementation schedule for completion of the Project.

An electronic copy of a draft Project Report shall be provided to the City for review and comment. CONSULTANT shall complete the necessary forms, compile it with the Project Report, and provide a review copy for the City. Following incorporation of comments received, an electronic copy of the final Technical Package shall be submitted via FFAST (their online submittal website) to SWRCB. CONSULTANT shall also help the City in responding to any comments and questions received from the SWRCB staff on the Technical Package. CONSULTANT shall assist with the capacity assessment of the technical, managerial and financial capacity of the City's PROJECT and provide recommendations.

5.3 Prepare Environmental Package

The majority of the information required for the Environmental Package is contained in the MND being prepared under Task 4. CONSULTANT shall complete the necessary forms, compile it with the MND, and provide a review copy for the City. Following incorporation of comments received, an electronic copy of the final Environmental Package shall be submitted via FFAST (their online submittal website) to SWRCB. CONSULTANT shall also help the City in responding to any comments and questions received from the SWRCB staff on the Environmental Package.

5.4 Assist with Financial Assistance Package

CONSULTANT shall assist the City with preparing the Financial Assistance Package, using financing information and required certificates provided by the City. The information in the technical memorandum being prepared under Tasks 2 and 3 may feed into the financial assistance packaging. CONSULTANT shall provide up-to-date planning-level cost estimates for planning, construction, design, right-of-way acquisition, utility relocation, engineering services during construction, contingencies, and any additional cash flow needs. CONSULTANT shall compile all of the provided materials into a complete Financial Assistance Package.

CONSULTANT shall complete the necessary forms, compile it with the materials provided by the City, and provide a review copy for the City. Following incorporation of comments received, an

electronic copy of the final Financial Assistance Package shall be submitted via FFAST (their online submittal website) to SWRCB. CONSULTANT shall also help the City in responding to any comments and questions received from the SWRCB staff on the Financial Assistance Package.

Task 5 Deliverables

- Agenda and notes for kickoff meeting.
- Draft and final Project Report, general Package (.docx format and .pdf files).
- Draft and final Technical Package (.docx format and .pdf files).
- Draft and final Environmental Package (.docx format and .pdf files).
- Draft and final Financial Assistance Package (.docx format and .pdf files).

Task 6: Optional Services (at City Sole discretion):

As applicable, CITY will provide written direction and confirm budget for any additional or optional service to be performed. Written authorization must be obtained from the CITY prior to the CONSULTANT beginning additional services/optional work. The CITY will not be responsible for additional work that the CONSULTANT performs prior to receiving written authorization.

6.1 Additional Meetings and Coordination

This Optional Services Task provides additional meeting and coordination budget for unanticipated meetings based on time and material basis.

6.2 Contingency

An Optional Services Contingency Task is included should unanticipated expenses or efforts be required for completion of the Project.

All work shall be completed by June 30, 2016.

General requirements

1. CONSULTANT shall coordinate and manage sub-consultants throughout the term of the Agreement.
2. Where applicable: plan sheet size shall be 24x36, plans shall be at reasonable scales, but not smaller than 1"=40' for site, and Civil. Details shall be of a minimum size to easily read and understand the information that is being conveyed.
3. Where applicable: Technical memorandum shall be 8 1/2" by 11". Two final hard signed copies with pdf and MS Office versions (word, excel etc) compatible with CITY personnel's computer are required (email or on diskette as necessary) Draft copies shall be emailed in compatible version to CITY personnel.

4. Where applicable: CONSULTANT shall be responsible for meeting the requirements of the CITY Standards, Outside Agencies, Local, State, and Federal codes and regulations, and CEQA submittal and approval requirements.
5. Where applicable, the CONSULTANT shall design the Project in compliance with latest CITY, State, and Federal Storm Water Pollution Prevention, Stormwater Treatment Requirements "C3" and Erosion Control guidelines. CONSULTANT shall provide Erosion Control Plan details, guidelines and technical specification section for the Contractor to use in preparing the project Storm Water Pollution Prevention Plan "SWPPP" and compliance with the State Notice of Intent "NOI" requirements if the threshold of disturbed area is exceeded.
6. Where applicable, CONSULTANT shall prepare the Project Plans using the CITY's Standard Title Block to be located at the bottom right of each Plan sheet (CITY to provide title block in AutoCAD).
7. Where applicable, Project Specifications shall be prepared using the CITY's standard front end template (CITY to provide in MS Word). CITY also has several Technical Specification Sections, which are also standard that may be used on the project. If CONSULTANT uses CITY provided technical sections the CONSULTANT shall be solely responsible and accountable for all design of the project. All other technical specification sections shall be prepared by the CONSULTANT. The specifications shall be created in conformance with the current industry standard, Construction Specification Institute "CSI" 50 Division format. The technical specifications shall be coordinated with the plans, CITY Standard front end template, and all the design disciplines. The technical specifications shall also accurately reflect the design plans for all the design disciplines. The construction documents shall conform to the applicable: Current California Codes as adopted by the City of Milpitas, and all other applicable local, State and Federal codes, regulations, permit requirements, and conditions necessary for issuance of the necessary permits for construction. The specifications shall include measurement and payment wording. CONSULTANT shall coordinate the inclusion of the technical specifications into the front-end specifications as one packet. CONSULTANT shall provide estimated construction costs in the form of the contractor bid proposal format. Unit cost items shall be used whenever possible. The construction schedule shall be specified in working days or calendar days as approved by CITY.
8. Where applicable, CONSULTANT shall assist the CITY in coordination with utility companies including submittal of all necessary service applications. CONSULTANT shall provide all necessary information requested by utility companies. CONSULTANT shall incorporate utility company comments into the design. CONSULTANT shall incorporate utility company review and approval times into the overall project schedule.
9. Where applicable, CONSULTANT shall obtain all necessary outside agency permits/approvals/clearances on behalf of the CITY in order to construct the improvements, CITY will pay all applicable permit/approval/clearances fees. CONSULTANT shall provide all necessary information requested by outside permitting

agencies and generate the necessary documents to obtain the required project permits. CONSULTANT shall incorporate outside permitting agencies comments into the design. CONSULTANT shall incorporate outside agency review and approval times into the overall project schedule.

10. Where applicable, CONSULTANT shall perform all necessary environmental documentation and surveys required to comply with the California Environmental Quality Act (CEQA) on behalf of the CITY in order to construct the improvements, with all additional expenses to be incurred by the CITY.. CONSULTANT shall provide necessary information requested by outside parties and the CITY. CONSULTANT shall incorporate CITY and relevant parties' comments into the design. CONSULTANT shall incorporate time to obtain environmental permits, clearance review and approvals into the overall project schedule.
11. Where applicable, CONSULTANT shall assist the CITY in obtaining all necessary easements and right-of-way in order to construct the improvements. CONSULTANT shall provide all necessary documentation and plans to obtain the respective easement or right-of-way. CONSULTANT shall incorporate time to obtain easements or right-of-way into the overall project schedule. CITY shall be responsible for all easement and right-of-way negotiations and acquisitions.
12. Where applicable, CONSULTANT shall install Temporary Bench Mark(s) (TBM) that can be used for both the design and construction portions of the project. The TBM shall be referenced on the design plans and tied to the location(s) of the new improvements.
13. Where applicable, Final plans ready for bidding shall be submitted wet signed/stamped hard copy on bond paper and on compact disk (CD) in AutoCAD 2013 or later version and PDF formats.

Quality Control/Quality Assurance (QC/QA):

CONSULTANT shall prepare plans, specifications, estimates, calculations, and other documents (such as technical memorandum) with the highest level of quality, free of technical errors and any reasonable grammatical errors. CONSULTANT shall implement and maintain the following minimum quality control procedures during the preparation of plans, specifications, estimates, calculations and all other documents relating to this project:

- Design and calculations are independently checked, corrected and back checked by the CONSULTANT;
- When different disciplines are involved, means to assure that conflicts and misalignments do not exist;
- QC/QA program shall provide for review and assurance of complete coordination and compatibility between the plans, specifications and estimated quantities;
- QC program shall include field reviews and review of all pertinent materials to verify compatibility of design with existing facilities.

CITY reviews of these documents shall not be considered part of the QC/QA program, but are only intended to be for review of scope and to coordinate with other departments. QC/QA, compatibility, workable design and constructability of the design is the CONSULTANT's sole responsibility.

Packages submitted for review by the CITY shall be accompanied by a QA/QC statement signed by a principal within the firm that they have reviewed the package and find that is in compliance with the scope of work.

DELIVERABLE:

- Signed QA/QC statement with each technical memorandum.

Milpitas available data to be provided to Consultant:

1. Cayenta water billing information (customer type and location, consumption, meter usage type (domestic, irrigation))
2. GIS/CAD of street map showing location of existing recycled water pipe, facilities (parks, pump station, etc.)
3. SCVWD conservation participation data
4. Current Milpitas water contracts
5. Master plans & FUMP are on Milpitas website
6. Available record drawings of facilities

EXHIBIT B

COMPENSATION AND HOURLY RATE SCHEDULE FOR WATER SUPPLY FEASIBILITY STUDY

Compensation & Schedule

Task	Description as stated in EXHIBIT A	Base budget *, \$	Optional budget *, \$	Schedule for completion
1	Project Management of Consultant Agreement	15,000		On going
2	Groundwater Well TM Pinewood at \$55K, Curtis at \$65K, New well at \$105K	225,000		20 weeks from Notice to Proceed, NTP
3	Conservation TM	30,000		12 weeks from NTP
4	Environmental	45,000		8 weeks from NTP
5	Funding application	82,000		8 weeks from NTP
6	Optional		30,000	N/a
	Base work subtotal	397,000		N/A
	Optional subtotal		30,000	N/A
	Total	427,000		N/A

* budget, not to exceed amount is based on time and material
Reimbursables include workshop material and sub-consultant fee

N/A Not applicable
N/a Not available

Hourly Rate (\$)

Principal	200
Engineer	162
Graphics	85
Hydrogeologist**	176
Attorney**	313.50

**Rates include 10% mark up for subconsultants

EXHIBIT C

INSURANCE CERTIFICATES PLACEHOLDER FOR WATER SUPPLY FEASIBILITY STUDY

**City of Milpitas
2014-19 CAPITAL IMPROVEMENT PROGRAM**

Category	Project		Estimate Level
Water	7127	Supervisory Control and Data Acquisition (SCADA)	1

CONTACT: Steven Machida [3355]

PRIORITY: Rehabilitation of Existing Capital Assets or Systems

\$50,000

DESCRIPTION

A Supervisory Control and Data Acquisition System (SCADA) provides real-time data, such as water tank level, pump operational status, system pressure, and flow rates to water system operators. Operators can use this data to identify operational problems, such as high velocities and low pressures, pressure spikes, both indicators of pipe breaks. SCADA also allows for remote monitoring and operation of pumps and valves to implement corrective actions and maintain water supply.

COMMENTS:

Currently operators rely on unsophisticated alarms at limited locations and customer complaints to become aware of water system problems. Operators must drive to sites to evaluate the problem and implement corrective action, such as starting a back-up pump, when the main pumps fail.

Uncommitted Balance as of 6/30/2014: \$0

ESTIMATED COST	Prior Year	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Design	0	0	0	0	300,000	0	300,000
Administration	0	0	0	0	50,000	25,000	75,000
Surveying	0	0	0	0	0	0	0
Inspection	0	0	0	0	0	75,000	75,000
Land	0	0	0	0	0	0	0
Improvements	0	50,000	0	0	0	0	50,000
Equipment	0	0	0	0	0	900,000	900,000
Other	0	0	0	0	0	0	0
Totals	0	50,000	0	0	350,000	1,000,000	1,400,000

FINANCING	Prior Year	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Water Fund	0	50,000	0	0	0	0	50,000
Water Line Extension Fund	0	0	0	0	350,000	1,000,000	1,350,000
Totals	0	50,000	0	0	350,000	1,000,000	1,400,000

FINANCE NOTES

Project created by City Council on June 16, 2015 with Budget Appropriation

City of Milpitas, California

BUDGET CHANGE FORM

Type of Change	From		To	
	Account	Amount	Account	Amount
Check one:				
<input checked="" type="checkbox"/> Budget Appropriation	400-2940 401-9517127-15- 3899	\$50,000 \$ 50,000	400-3999 401-9517127-1-4800	\$ 50,000 \$50,000
<input type="checkbox"/> Budget Transfer				

Explain the reason for the budget change:

Background: On May 5, 2015, the City Council received a staff report on Water Supply Augmentation, and directed staff to develop a work plan tasks for conservation, recycled water, and ground water wells. The work plan for groundwater system expansion and conservation improvements has been completed for an estimated cost of \$25 million. The State is currently developing several funding programs for potable water project, and anticipates receiving applications this summer for Proposition 1 and State Revolving Loan funds. Staff reviewed preliminary guidance information and that several documents are required to be prepared and submitted with the applications. WSI was selected from the City's list of consultant engineers to prepare these documents for the following reasons: WSI's recent experience of the preparation in the Water Supply Augmentation Feasibility Report and technical experience in water systems, design and operations, including underground wells.

The work consists of reviewing and/or preparing mechanical equipment, proposed Supervisory Control and Data Acquisition, (SCADA) for operations, and proposed water quality treatment for existing groundwater wells, well sitting, technical recommendations, environmental documents, mapping, preliminary design, construction cost estimates, and preparation of Proposition 1 funding application. Most of these documents are necessary for project design, even if the City were not pursuing outside funding. The work also includes next step evaluations for the smart meter program and water leak detection system.

The work is estimated to cost \$427,000. The well improvement portion is estimated to cost \$327,000 and will be funded from Well Upgrade Project, CP No 7076. The Smart Meter work is estimated to cost \$50,000 and will be funded from New CIP Automated Meter Replacement Project, CP No. 7121. It is necessary to create a new CIP Supervisory Control and Data Acquisition Project, CP No. 7127, and appropriate \$50,000 for this work. The consultant agreement, CIP sheet project description, and a budget appropriation form are included in the Council packet.

California Environmental Quality Act (CEQA): This is not a project under CEQA as there will be no direct physical change or a reasonably foreseeable indirect change to the environment. Additionally, this is exempt under CEQA Guidelines Section 15262 (Feasibility and Planning Studies).

Alternative: The consultant agreement and budget appropriation are needed to prepare for the City's application for outside funding for planned groundwater well system expansion and conservation improvements. The project will not proceed if the agreement and appropriation are not approved.

Fiscal Impact: If the City is successful in receiving grant funding, the City will be reimbursed for our expenditures minus our matching funds required by the grant. The proposed water rates include costs for a \$15 million bond program to begin the work. A budget appropriation from the Water Fund is necessary at this time to provide funding. The Water Fund and Well Upgrade Project would be reimbursed once the bond proceeds are available (anticipated to be early 2016). The proposed work will be funded as follows:

- Appropriate \$50,000 from the Water Fund for a new Project No. 7127, Supervisory Control and Data Acquisition
- \$50,000 from Project No. 7121, Automated Water Meter Replacement; there are sufficient funds in the project budget
- \$327,000 from Project No.7076, Well Upgrade Project; there are sufficient funds in the project budget

Recommendations:

1. Approve the consultant agreement with Water Solutions, Inc. for engineering services in the amount of \$427,000.
2. Approve a new Capital Improvement Project, Supervisory Control and Data Acquisition (SCADA), Project No. 7127.
3. Approve a budget appropriation in the amount of \$50,000 from the Water Fund to Project 7127.

Check if City Council Approval required.

Meeting Date: June 16, 2015

Requested by:	Marilyn Nickel, Associate Civil Engineer	Date: June 5, 2015
Reviewed by:	Finance Director: <i>Emma Kurben</i>	Date: <i>6/8/15</i>
Approved by:	City Manager:	Date:
Date approved by City Council, if required:		Confirmed by:

FI/24786/V

Form 30-222 (Rev. 1/92)