



Notice of Regular Meeting Oceano Community Services District - Board of Directors Agenda

WEDNESDAY, July 25, 2018 – 5:30 P.M.

Oceano Community Services District Board Room
1655 Front Street, Oceano, CA

All items on the agenda including information items, may be deliberated. Any member of the public with an interest in one of these items should review the background material and request information on the possible action that could be taken.

All persons desiring to speak during any Public Comment period are asked to fill out a "Board Appearance Form" to submit to the General Manager prior to the start of the meeting. Each individual speaker is limited to a presentation time of THREE (3) minutes per item. Persons wishing to speak on more than one item shall limit his/her remarks to a total of SIX (6) minutes. This time may be allocated between items in one-minute increments up to three minutes. Time limits may not be yielded to or shared with other speakers.

1. CALL TO ORDER:
2. ROLL CALL:
3. FLAG SALUTE:
4. AGENDA REVIEW:
5. CLOSED SESSION:
 - A. Pursuant to Government Code 54956.9(a): Conference with legal counsel regarding Santa Maria Valley Water Conservation District v. City of Santa Maria, et al.,
 - B. Pursuant to Government Code §54956.9 (d)(2): Conference with District Counsel regarding anticipated litigation. Number of cases: one (1).

6. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA: **(NOT BEGINNING BEFORE 6:00 PM)**

This public comment period provides an opportunity for members of the public to address the Board on matters of interest within the jurisdiction of the District that are not listed on the agenda. If a member of the public wishes to speak at this time, Public comment is limited to three (3) minutes.

7. SPECIAL PRESENTATIONS & REPORTS:

A. STAFF REPORTS:

- i. Operations - Field Supervisor Tony Marraccino
- ii. FCFA Operations - Chief Steve Lieberman
- iii. OCSD General Manager – Paavo Ogren
- iv. Sheriff's South Station - Commander Stuart MacDonald

B. BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS:

- i. Director Angello
- ii. Director - Vacancy
- iii. President White
- iv. Vice President Austin
- v. Director Coalwell

C. PUBLIC COMMENT ON SPECIAL PRESENTATIONS AND REPORTS:

This public comment period provides an opportunity for members of the public to address the Board on matters discussed during Agenda Item #7 – Special Presentations and Reports. If a member of the public wishes to speak at this time, Public comment is limited to three (3) minutes.

This agenda was prepared and posted pursuant to Government Code Section 54954.2. Agenda is posted at the Oceano Community Services District, 1655 Front Street, Oceano, CA. Agenda and reports can be accessed and downloaded from the Oceano Community Services District website at www.oceanocsd.org

ASSISTANCE FOR THE DISABLED If you are disabled in any way and need accommodation to participate in the Board meeting, please call the Clerk of the Board at (805) 481-6730 for assistance at least three (3) working days prior to the meeting so necessary arrangements can be made.

ASISTENCIA A DISCAPACITADO Si usted está incapacitado de ninguna manera y necesita alojamiento para participar en la reunión de la Junta, por favor llame a la Secretaría de la Junta al (805) 481-6730 para recibir asistencia por lo menos tres (3) días antes de la reunión para que los arreglos necesarios puedan ser hechos.

8. CONSENT AGENDA ITEMS:

Public comment Members of the public wishing to speak on consent agenda items may do so when recognized by the Presiding Officer. To facilitate public comment we request persons wishing to speak to fill out a speak request form and give it to the General Manager. Public comment is limited to three (3) minutes.

- A. Review and Approval of Minutes for the Regular Meeting on July 11, 2018
- B. Review and Approval of Cash Disbursements
- C. Submittal of the District's Fiscal Year 2017-18 Quarter 4 Treasurer Report

9. BUSINESS ITEMS:

Public comment Members of the public wishing to speak on public hearing items may do so when recognized by the Presiding Officer. To facilitate public comment we request persons wishing to speak to fill out a speak request form and give it to the General Manager. Public comment is limited to three (3) minutes.

- A. Update and discuss the filling of the two (2) Board vacancies and provide direction as deemed appropriate
- B. Update and discuss drafting a Feasibility Agreement with The Place on PCH and provide direction as deemed appropriate
- C. Consideration of a recommendation to approve a revised Utility Relocation Agreement with the County of San Luis Obispo relating to the County's Highway One Drainage project and payment of a deposit in the amount of \$109,868
- D. Consideration of a recommendation to approve a professional services agreement with GSI Water Solutions Inc. to prepare the 2018 Annual Report for the Northern Cities Management Area in the amount of \$37,591 plus contingencies of \$3,370 for a total contract amount of \$40,961

10. HEARING ITEMS:

11. RECEIVED WRITTEN COMMUNICATIONS:

12. LATE RECEIVED WRITTEN COMMUNICATIONS:

13. FUTURE AGENDA ITEMS: District Policies Continued; update, Roles and Responsibilities with Related Agencies; Construction Documents, Five Cities Fire Authority 5, District Rules and Regulations, Seabreeze Mobile Home Park Continued, The Place Art Gallery

14. FUTURE HEARING ITEMS:

15. ADJOURNMENT:



Oceano Community Services District

Summary Minutes

Regular Meeting Wednesday, July 11, 2018 – 5:30 P.M.

Oceano Community Services District Board Room

1655 Front Street, Oceano, CA

1. **CALL TO ORDER:** at 6:00 p.m. by President White
2. **FLAG SALUTE:** led by President White
3. **ROLL CALL:** All Board members present. Also present, General Manager Paavo Ogren, Business and Accounting Manager Carey Casciola, and Board Secretary Celia Ruiz.
4. **AGENDA REVIEW:** Agenda approved as presented.
5. **CLOSED SESSION:** None
6. **PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA (NOT BEGINNING BEFORE 6:00 PM):**
Public comment was received by Shirley Gibson, and Damon.
7. **SPECIAL PRESENTATIONS & REPORTS:**
 - a. **STAFF REPORTS:**
 - i. Operations - Field Supervisor Tony Marraccino – Field Supervisor Marraccino reported on 18 USA's, 1 after hour call out, 5 customer service calls, 7 work orders, weekly samples, 1 sso, Lopez currently at 48.1%, comment codes, trash cleanup, weed abatement, installed 2 hydrants on Pier, State reporting, sewer jetting continued.
 - ii. FCFA - Chief Steve Lieberman – None
 - iii. OCSD General Manager – General Manager Ogren reported on trash pick up on July 5th, and Zone 3 TAC.
 - iv. Sheriff's South Station – Commander Stuart McDonald – Sargent Jeff Nichols reported on the arrests in the month of June for Oceano.
 - b. **BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS:**
 - i. Director Angello – None
 - ii. Director Vacant– None
 - iii. President White – None
 - iv. Vice President Austin – None
 - v. Director Coalwell – reported on State Water Subcontractors Advisory Committee
 - c. **PUBLIC COMMENT ON SPECIAL PRESENTATIONS AND REPORTS:**
No public comment.

8 CONSENT AGENDA:	ACTION:
<ol style="list-style-type: none"> a. Review and Approval of Minutes for the Regular Meeting on June 27, 2018 b. Review and Approval of Cash Disbursements 	<p>After an opportunity for public comment and brief Board discussion, staff recommendations were approved with the modification to Item 8b updating the check sequence for checks that were voided to San Luis Obispo County and re-issued with a motion from Vice President Austin, a second by Director Angello and a 4-0 vote.</p> <p>No public comment.</p>

9 A BUSINESS ITEM:	ACTION:
Consideration of whether to fill the vacancy on the Board of Directors by appointment until the person elected in the November 2018 election to fill the vacancy has been qualified.	After an opportunity for public comment and brief Board discussion, Director Coalwell resigned as of 7/11 and a Special Meeting will be scheduled to fill the current Board vacancies. Public comment was received by Cynthia Replogle, Lucia Casalnuovo, Allene Villa, Bonnie Heirst, and Shirley Gibson.

9 B BUSINESS ITEM:	ACTION:
Review and discussion of the Board of Director's 2018 Committee Assignments with modifications as deemed appropriate	After an opportunity for public comment and brief Board discussion, a motion was made to appoint Vice President Austin as alternate on FCFA with a motion from President White, a second by Director Angello and a 3-0 Director Coalwell abstained. No public comment.

9 C BUSINESS ITEM:	ACTION:
Updates on work efforts including the Utility Yard Upgrade Feasibility Study; the Water Resource Reliability Plan (WRRP); the Local Hazard Mitigation Plan (LHMP); Utility Relocations associated with County projects and County Revitalization efforts; other District efforts and related public outreach, with Board direction as deemed appropriate	After an opportunity for public comment and brief Board discussion, General Manager gave an update, no action taken. Public comment was received by Cynthia Replogle.

10 A HEARING ITEM:	ACTION:
Consideration of a recommendation to approve a resolution to collect delinquent accounts on 2018-19 property tax bills	After an opportunity for public comment and brief Board discussion, staff recommendations were approved with a motion from Vice President Austin, a second by Director Angello and a 4-0 roll call vote. No public comment.

11. **RECEIVED WRITTEN COMMUNICATIONS:** None
12. **LATE RECEIVED WRITTEN COMMUNICATIONS:** Emails received from Amanda Sherlock, and Charles Varni on Item 9A
13. **FUTURE AGENDA ITEMS:** District Policies Continued; update, Roles and Responsibilities with Related Agencies; Construction Documents, Five Cities Fire Authority 5, District Rules and Regulations, Seabreeze Mobile Home Park Continued, The Place Art Gallery
14. **FUTURE HEARING ITEMS:** None
15. **ADJOURNMENT:** at approximately 8:23 pm



Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

Date: July 25, 2018

To: Board of Directors

From: Carey Casciola, Business and Accounting Manager

Subject: Agenda Item #8(B): Recommendation to Approve Cash Disbursements

Recommendation

It is recommended that your Board approve the attached cash disbursements.

Discussion

The following is a summary of the attached cash disbursements:

Description	Check Sequence	Amounts
	57089 - 57127	
Disbursements Requiring Board Approval prior to Payment:		
Regular Payable Register – paid 07/25/2018	57100 - 57126	\$44,406.23
CalPers Unfunded Liability ACH Draft – paid 07/25/2018	ACH DRAFT	\$37,622.00
Refund Request – Utility Billing Overpayment	57127	\$90.05
Subtotal:		\$82,118.28
Reoccurring Payments for Board Review (authorized by Resolution 2016-07):		
Payroll Disbursements – 07/07/2018	N/A	28,314.12
Reoccurring Utility Disbursements – paid 07/11/2018	57089 - 57097	\$9,962.34
Reoccurring Health/Benefits – paid 07/11/2018	57098 - 57099	\$201.03
Subtotal:		\$38,477.49
Grand Total:		\$120,595.77

Other Agency Involvement: n/a

Other Financial Considerations: Amounts are within the authorized Fund level budgets.

Results

The Board's review of cash disbursements is an integral component of the District's system of internal controls and promotes a well governed community.

7/20/2018 2:54 PM
 COMPANY: 99 - POOLED CASH FUND
 ACCOUNT: 1-1001-000 POOLED CASH OPERATING
 TYPE: All
 STATUS: All
 FOLIO: All

CHECK RECONCILIATION REGISTER

CHECK DATE: 0/00/0000 THRU 99/99/9999
 CLEAR DATE: 0/00/0000 THRU 99/99/9999
 STATEMENT: 0/00/0000 THRU 99/99/9999
 VOIDED DATE: 0/00/0000 THRU 99/99/9999
 AMOUNT: 0.00 THRU 999,999,999.99
 CHECK NUMBER: 057100 THRU 057126

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT----	STATUS	FOLIO	CLEAR DATE
CHECK:	-----							
1-1001-000	7/20/2018	CHECK	057100	PETTY CASH	50.59CR	OUTSTND	A	0/00/0000
1-1001-000	7/20/2018	CHECK	057101	CANNON	19,071.24CR	OUTSTND	A	0/00/0000
1-1001-000	7/20/2018	CHECK	057102	ARROYO WATER WELL SUPPLY INC	669.01CR	OUTSTND	A	0/00/0000
1-1001-000	7/20/2018	CHECK	057103	FASTENAL COMPANY	410.88CR	OUTSTND	A	0/00/0000
1-1001-000	7/20/2018	CHECK	057104	DIVERSIFIED PROJECT SERVICES I	1,150.00CR	OUTSTND	A	0/00/0000
1-1001-000	7/20/2018	CHECK	057105	ADAMSKI MOROSKI MADDEN CUMBERL	8,492.50CR	OUTSTND	A	0/00/0000
1-1001-000	7/20/2018	CHECK	057106	CORIX WATER PRODUCTS (US) INC.	353.93CR	OUTSTND	A	0/00/0000
1-1001-000	7/20/2018	CHECK	057107	CENTRAL COAST PRINTING	253.92CR	OUTSTND	A	0/00/0000
1-1001-000	7/20/2018	CHECK	057108	ARAMARK	162.82CR	OUTSTND	A	0/00/0000
1-1001-000	7/20/2018	CHECK	057109	TNT FIREWORKS	2,000.00CR	OUTSTND	A	0/00/0000
1-1001-000	7/20/2018	CHECK	057110	SARGENT'S PLUMBING & HEATING,	125.00CR	OUTSTND	A	0/00/0000
1-1001-000	7/20/2018	CHECK	057111	ZENITH INSURANCE COMPANY	955.00CR	OUTSTND	A	0/00/0000
1-1001-000	7/20/2018	CHECK	057112	EVERYWHERE RIGHT NOW, INC.	550.00CR	OUTSTND	A	0/00/0000
1-1001-000	7/20/2018	CHECK	057113	SHRED-IT USA	66.97CR	OUTSTND	A	0/00/0000
1-1001-000	7/20/2018	CHECK	057114	CITY OF ARROYO GRANDE	4,626.00CR	OUTSTND	A	0/00/0000
1-1001-000	7/20/2018	CHECK	057115	AWWA	420.00CR	OUTSTND	A	0/00/0000
1-1001-000	7/20/2018	CHECK	057116	CLINICAL LAB OF SAN BERNARDINO	460.00CR	OUTSTND	A	0/00/0000
1-1001-000	7/20/2018	CHECK	057117	RABOBANK VISA CARD	1,359.95CR	OUTSTND	A	0/00/0000
1-1001-000	7/20/2018	CHECK	057118	MINER'S ACE HARDWARE, INC.	37.70CR	OUTSTND	A	0/00/0000
1-1001-000	7/20/2018	CHECK	057119	QUILL CORPORATION	46.10CR	OUTSTND	A	0/00/0000
1-1001-000	7/20/2018	CHECK	057120	SLO CO DEPT OF PUBLIC WORKS	93.00CR	OUTSTND	A	0/00/0000
1-1001-000	7/20/2018	CHECK	057121	CARQUEST AUTO PARTS	140.74CR	OUTSTND	A	0/00/0000

COMPANY: 99 - POOLED CASH FUND
 ACCOUNT: 1-1001-000 POOLED CASH OPERATING
 TYPE: All
 STATUS: All
 FOLIO: All

CHECK DATE: 0/00/0000 THRU 99/99/9999
 CLEAR DATE: 0/00/0000 THRU 99/99/9999
 STATEMENT: 0/00/0000 THRU 99/99/9999
 VOIDED DATE: 0/00/0000 THRU 99/99/9999
 AMOUNT: 0.00 THRU 999,999,999.99
 CHECK NUMBER: 057100 THRU 057126

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK:								
1-1001-000	7/20/2018	CHECK	057122	THE TRIBUNE	82.28CR	OUTSTND	A	0/00/0000
1-1001-000	7/20/2018	CHECK	057123	THE TRIBUNE	77.44CR	OUTSTND	A	0/00/0000
1-1001-000	7/20/2018	CHECK	057124	UNITED RENTALS (NORTH AMERICA)	446.16CR	OUTSTND	A	0/00/0000
1-1001-000	7/20/2018	CHECK	057125	CRANDALL CONSTRUCTION	810.00CR	OUTSTND	A	0/00/0000
1-1001-000	7/20/2018	CHECK	057126	TERRA VERDE ENVIRONMENTAL CONS	1,495.00CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	44,406.23CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		
TOTALS FOR POOLED CASH FUND				CHECK	TOTAL:	44,406.23CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		

WARRANTS TO BE ISSUED 7/1/2018						
	Invoice	Vendor	Amount	G/L Account	Account Name	Distribution
1	100000015347493	CalPERS - OCSD	\$29,851.00	01-5-4100-062	PERS UAL Payment	\$29,851.00
2	100000015347513	CalPERS - OCSD	\$725.00	01-5-4100-062	PERS UAL Payment	\$725.00
3	100000015347501	CalPERS - Fire/Safety	\$7,046.00	01-5-4200-062	PERS UAL Payment	\$7,046.00
						\$37,622.00

Total Warrants to be paid 7/25/2018	\$ 37,622.00
------------------------------------------------	---------------------

COMPANY: 99 - POOLED CASH FUND
ACCOUNT: 1-1001-000 POOLED CASH OPERATING
TYPE: All
STATUS: All
FOLIO: All

CHECK DATE: 0/00/0000 THRU 99/99/9999
CLEAR DATE: 0/00/0000 THRU 99/99/9999
STATEMENT: 0/00/0000 THRU 99/99/9999
VOIDED DATE: 0/00/0000 THRU 99/99/9999
AMOUNT: 0.00 THRU 999,999,999.99
CHECK NUMBER: 057127 THRU 057127

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK: -----								
1-1001-000	7/20/2018	CHECK	057127	CASHIN, JAMES & FELI	90.05CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	90.05CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		
TOTALS FOR POOLED CASH FUND				CHECK	TOTAL:	90.05CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		

Payroll Summary Report
Board of Directors - Agenda Date July 25, 2018

	(*)	
<u>Gross Wages</u>	6/23/2018	7/7/2018
Regular	\$23,028.35	\$22,811.30
Overtime Wages	\$1,182.33	\$1,921.26
Stand By	\$700.00	\$700.00
Gross Wages	\$24,910.68	\$25,432.56
 <u>Disbursements</u>		
Net Wages	\$20,068.25	\$20,596.94
State and Federal Agencies	\$3,783.19	\$3,816.12
CalPERS - Normal	\$3,796.00	\$3,901.06
Total Disbursements processed with Payroll	\$27,647.44	\$28,314.12
 Health & Other (Disbursed with reoccurring bills)	 \$3,553.40	 \$3,553.40
Total District Payroll Related Costs	\$31,200.84	\$31,867.52

(*) Previously reported in prior Board Meeting packet - provided for comparison.

COMPANY: 99 - POOLED CASH FUND
 ACCOUNT: 1-1001-000 POOLED CASH OPERATING
 TYPE: All
 STATUS: All
 FOLIO: All

CHECK DATE: 0/00/0000 THRU 99/99/9999
 CLEAR DATE: 0/00/0000 THRU 99/99/9999
 STATEMENT: 0/00/0000 THRU 99/99/9999
 VOIDED DATE: 0/00/0000 THRU 99/99/9999
 AMOUNT: 0.00 THRU 999,999,999.99
 CHECK NUMBER: 057089 THRU 057097

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK:								
1-1001-000	7/11/2018	CHECK	057089	ADVANTAGE ANSWERING PLUS, INC	183.83CR	OUTSTND	A	0/00/0000
1-1001-000	7/11/2018	CHECK	057090	AGP VIDEO INC.	585.00CR	OUTSTND	A	0/00/0000
1-1001-000	7/11/2018	CHECK	057091	CHARTER COMMUNICATIONS	130.00CR	OUTSTND	A	0/00/0000
1-1001-000	7/11/2018	CHECK	057092	DIGITAL WEST NETWORKS, INC.	50.00CR	OUTSTND	A	0/00/0000
1-1001-000	7/11/2018	CHECK	057093	DIGITAL WEST NETWORKS, INC.	414.53CR	OUTSTND	A	0/00/0000
1-1001-000	7/11/2018	CHECK	057094	VERIZON WIRELESS	249.84CR	OUTSTND	A	0/00/0000
1-1001-000	7/11/2018	CHECK	057095	PACIFIC GAS & ELECTRIC	8,174.27CR	OUTSTND	A	0/00/0000
1-1001-000	7/11/2018	CHECK	057096	SO CAL GAS	85.37CR	OUTSTND	A	0/00/0000
1-1001-000	7/11/2018	CHECK	057097	STANLEY CONVERGENT SECURITY SO	89.50CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	9,962.34CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		
TOTALS FOR POOLED CASH FUND				CHECK	TOTAL:	9,962.34CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		

COMPANY: 99 - POOLED CASH FUND
 ACCOUNT: 1-1001-000 POOLED CASH OPERATING
 TYPE: All
 STATUS: All
 FOLIO: All

CHECK DATE: 0/00/0000 THRU 99/99/9999
 CLEAR DATE: 0/00/0000 THRU 99/99/9999
 STATEMENT: 0/00/0000 THRU 99/99/9999
 VOIDED DATE: 0/00/0000 THRU 99/99/9999
 AMOUNT: 0.00 THRU 999,999,999.99
 CHECK NUMBER: 057098 THRU 057099

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK: -----								
1-1001-000	7/11/2018	CHECK	057098	TASC -CLIENT INVOICES	54.67CR	OUTSTND	A	0/00/0000
1-1001-000	7/11/2018	CHECK	057099	SEIU LOCAL 620	146.36CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	201.03CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		
TOTALS FOR POOLED CASH FUND				CHECK	TOTAL:	201.03CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		



Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

Date: July 25, 2018

To: Board of Directors

From: Carey Casciola, Business and Accounting Manager

Subject: Agenda Item # 8C– Submittal of the District’s Fiscal Year 2017-18 Quarter 4 Treasurer Report

Recommendation

It is recommended that your Board receive and file the District’s 2017-18 Quarter 4 Treasurer Report.

Discussion

Government Code section 61053(f) requires the District Treasurer to report to the Board of Directors quarterly regarding the receipts, disbursements and the balances in each account controlled by the District. At the December 13, 2017 meeting your Board approved Resolution 2017-07 to adopt the District’s 2018 Investment Policy which is required by Government Code section 53646(A)(2). Section 7 of the Investment Policy requires the Financial Officer/ Treasurer to provide a quarterly report that identifies the District’s investments within 30 days after the end of each quarter. The attached worksheet has been prepared to review the District’s fourth quarter.

The District holds accounts with the County of San Luis Obispo and Rabobank. Attachment “A” provides a summary of each account held by the District which have been reconciled against the District’s general ledger.

Other Agency Involvement

The County of San Luis Obispo



Other Financial Considerations

The 2017/18 Quarter 4 Budget review was presented at the June 27th meeting.

Results

Establishing compliance with both Government Code 61000-61250 regarding Community Service Districts and the District's Investment Policy will help ensure that the District's costs are managed properly and promotes prosperous and well governed communities.

Attachment A - 2017-18 Quarter 4 Treasurer Report

Oceano Community Services District
2017-18 Treasurer Report - Quarter 4

<u>Account</u>	<u>Month</u>	<u>Beginning Balance</u>	<u>Credits</u>	<u>Debits</u>	<u>Ending Balance</u>	<u>Total</u>
<u>County of San Luis Obispo Accounts:</u>						
Oceano CSD - Water Rev - 31215 (Revenue Bond)	Apr-18	\$103.09	\$0.00	\$0.00	\$103.09	
	May-18	\$103.09	\$0.00	\$0.00	\$103.09	
	Jun-18	\$103.09	\$0.78	\$0.00	\$103.87	
Oceano CSD - 41005	Apr-18	\$2,373,066.64	\$321,148.41	(\$39,248.89)	\$2,654,966.16	
	May-18	\$2,654,966.16	\$7,507.56	\$0.00	\$2,662,473.72	
	Jun-18	\$2,662,473.72	\$39,615.10	(\$3,151.01)	\$2,698,937.81	
Oceano CSD - 41045 (Sanitary District Bond - Paid Off)	Apr-18	\$4.16	\$0.01	\$0.00	\$4.17	
	May-18	\$4.17	\$0.38	\$0.00	\$4.55	
	Jun-18	\$4.55	\$0.02	\$0.00	\$4.57	\$2,699,046.25
<u>Rabobank Accounts:</u>						
Public Checking - 1101	Apr-18	\$299,441.53	\$485,966.93	(\$456,493.14)	\$328,915.32	
	May-18	\$328,915.32	\$112,196.50	(\$179,690.62)	\$261,421.20	
	Jun-18	\$261,421.20	\$364,478.48	(\$207,550.33)	\$418,349.35	
Public Investment Money Market - 5783	Apr-18	\$194,439.72	\$17.68	(\$100,000.00)	\$94,457.40	
	May-18	\$94,457.40	\$16.05	\$0.00	\$94,473.45	
	Jun-18	\$94,473.45	\$15.01	\$0.00	\$94,488.46	
Public Fund CD - 7655 (Water Fund Deposit)	Apr-18	\$24,020.15	\$12.41	\$0.00	\$24,032.56	
	May-18	\$24,032.56	\$12.01	\$0.00	\$24,044.57	
	Jun-18	\$24,044.57	\$12.43	\$0.00	\$24,057.00	
Public Investment Money Market - 0161 (Public Facilities Fees)	Apr-18	\$209,828.39	\$36.81	(\$20.00)	\$209,845.20	
	May-18	\$209,845.20	\$35.64	\$0.00	\$209,880.84	
	Jun-18	\$209,880.84	\$29,823.03	\$0.00	\$239,703.87	\$776,598.68
					Total	\$3,475,644.93



Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

Date: July 25, 2018

To: Board of Directors

From: Paavo Ogren, General Manager

Subject: **Agenda Item #9(A):** Update and discuss the filling of the two (2) Board vacancies and provide direction as deemed appropriate

Recommendation

It is recommended that your Board update and discuss the filling of the two (2) Board vacancies and provide direction as deemed appropriate.

Discussion

The District currently has two vacancies open with the recent resignation of two Board members. Based on the timing of the resignations your Board's discretion in making the appointment is different for the two vacancies.

Resignation #1 - Effective June 27, 2018

The Board resignation effective on June 27th was more than 130 days from the upcoming general election in November 2018. Based on provisions of the California Government Code, your Board can fill the vacancy until the results of the upcoming general election. As a result, the appointment for this vacancy will cover a duration of approximately four (4) months until the results of the general election. The individual elected in November for this vacancy would succeed the appointed individual in December 2018.

Resignation #2 - Effective July 11, 2018

The Board resignation effective on July 11, 2018 was less than 130 days from the upcoming general election in November 2018. Based on provisions of the California Government Code, your Board can fill the vacancy by appointment through the remainder of the term. As a result, the appointment for this vacancy will cover a duration of approximately four (28) months until the results of the general election in November 2020. The individual elected in November 2020 for this vacancy would succeed the appointed individual in December 2020.



Oceano Community Services District

Board of Directors Meeting

A special meeting has been scheduled for August 2nd at 3pm to appoint the two new Board Members. The notice for this meeting is attached and was posted on July 17th at the following locations:

1. District's office on Front St
2. OCSD Website
3. Oceano post office
4. Triangle Park off of Highway One
5. State Parks kiosk at the entrance of Oceano Dunes SVRA.

With Board direction, the meeting can be filmed by AGP Video, Inc and air on the local Government Access Channel 20 or the District can record the audio and the public can request to hear the meeting through the District.

The District recently received a request for a "job description" of a Board Member. Attached is the California code section 58000-62262 pertaining to special districts. Specifically, sections 61040-61048 are also attached, which relate to the role and responsibilities of the Board of Directors.

Other Agency Involvement

The San Luis Obispo County Clerk's office conducts the elections for the District based on the District's request for consolidation. State Parks and the United States Post Office allowed for the District to post the notice on their property.

Financial Considerations

A special meeting is scheduled for August 2nd and to have AGP Video, Inc. record and air the meeting on Government Access Channel 20 will cost the District \$585. Otherwise, the meeting will only be recorded in audio form at no extra cost.

Results

Appointing individuals to the vacant Board positions will help ensure a quorum of the Board of Directors and promotes a well governed community.

Attachments:

- Notice of Vacancies
- California Code Section 58000-62262 - Districts
- California Code Section 61040-61048 - Board of Directors

JULY 17, 2018

**NOTICE OF VACANCIES
on the
BOARD OF DIRECTORS
for the
OCEANO COMMUNITY SERVICES DISTRICT**

This notice is posted in accordance with California Government Code Sections 61042 and 1780.

The Oceano Community Services District Board of Directors (Governing Board) normal includes five elected officials who must reside in the community. The Governing Board currently has two vacancies. This notice is required to be posted for a minimum of 15 days before the Governing Board can make appointments to fill the vacancies.

Terms of Appointment

The terms of appointment for the two vacancies are different.

- One of the vacancies may be appointed for a term through the General Election in November 2020.
- One of the vacancies may be appointed for a term through the General Election in November 2018.

Individuals who are interested in seeking an appointment to the Governing Board may wish to inform the District prior to August 2, 2018. **A special meeting is scheduled to consider appointments on August 2, 2018 at 3:00 p.m.** The meeting will be held at the Board Chambers at 1655 Front Street, Oceano California.

Please contact the District's General Manager at (805) 481-6730 with questions and visit our website at oceanocsd.org


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58000-62262



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ARTICLE 3. Preliminary Hearing.....	58060-58061
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CHAPTER 3.5. Notice of Formation or Change in Boundaries of Districts.....	58900-58908
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GOVERNMENT CODE - GOV

TITLE 6. DISTRICTS [58000 - 62262] (Title 6 added by Stats. 1951, Ch. 331.)

DIVISION 3. COMMUNITY SERVICES DISTRICTS [61000 - 61250] (Division 3 repealed and added by Stats. 2005, Ch. 249, Sec. 3.)

PART 2. INTERNAL ORGANIZATION [61020 - 61070] (Part 2 repealed and added by Stats. 2005, Ch. 249, Sec. 3.)

CHAPTER 3. Board of Directors [61040 - 61048] (Chapter 3 repealed and added by Stats. 2005, Ch. 249, Sec. 3.)

61040. (a) Except as provided in Section 61040.1, a legislative body of five members known as the board of directors shall govern each district. The board of directors shall establish policies for the operation of the district. The board of directors shall provide for the implementation of those policies which is the responsibility of the district's general manager.

(b) No person shall be a candidate for the board of directors unless he or she is a voter of the district or the proposed district. No person shall be a candidate for the board of directors that is elected by divisions or from divisions unless he or she is a voter of that division or proposed division.

(c) All members of the board of directors shall exercise their independent judgment on behalf of the interests of the entire district, including the residents, property owners, and the public as a whole in furthering the purposes and intent of this division. Where the members of the board of directors have been elected by divisions or from divisions, they shall represent the interests of the entire district and not solely the interests of the residents and property owners in their divisions.

(d) Service on a municipal advisory council established pursuant to Section 31010 or service on an area planning commission established pursuant to Section 65101 shall not be considered an incompatible office with service as a member of a board of directors.

(e) A member of the board of directors shall not be the general manager, the district treasurer, or any other compensated employee of the district, except for volunteer firefighters as provided by Section 53227.

(f) This section shall be repealed on January 1, 2035.

(Amended by Stats. 2014, Ch. 505, Sec. 1. (AB 2455) Effective January 1, 2015. Repealed as of January 1, 2035, by its own provisions. See later operative version added by Sec. 2 of Stats. 2014, Ch. 505.)

61040. (a) A legislative body of five members known as the board of directors shall govern each district. The board of directors shall establish policies for the operation of the district. The board of directors shall provide for the implementation of those policies which is the responsibility of the district's general manager.

(b) No person shall be a candidate for the board of directors unless he or she is a voter of the district or the proposed district. No person shall be a candidate for the board of directors that is elected by divisions or from divisions unless he or she is a voter of that division or proposed division.

(c) All members of the board of directors shall exercise their independent judgment on behalf of the interests of the entire district, including the residents, property owners, and the public as a whole in furthering the purposes and intent of this division. Where the members of the board of directors have been elected by divisions or from divisions, they shall represent the interests of the entire district and not solely the interests of the residents and property owners in their divisions.

(d) Service on a municipal advisory council established pursuant to Section 31010 or service on an area planning commission established pursuant to Section 65101 shall not be considered an incompatible office with service as a member of a board of directors.

(e) A member of the board of directors shall not be the general manager, the district treasurer, or any other compensated employee of the district, except for volunteer firefighters as provided by Section 53227.

(f) This section shall become operative on January 1, 2035.

(Repealed (in Sec. 1) and added by Stats. 2014, Ch. 505, Sec. 2. (AB 2455) Effective January 1, 2015. Section operative January 1, 2035, by its own provisions.)

61040.1. (a) The board of directors of the Santa Rita Hills Community Services District may consist of three members.

(b) (1) Prior to reducing the board of directors to three members pursuant to subdivision (a), the board of directors, after receiving a petition signed by a majority of voters requesting a reduction in the number of board members, shall adopt, by a recorded majority vote of the entire board of directors, a resolution proposing to reduce the number of directors to three members.

(2) The district shall hold a public hearing regarding the proposal to reduce the number of directors.

(3) Notice of the public hearing shall be given by placing a display advertisement of at least one-eighth page in a newspaper of general circulation for three weeks, pursuant to Section 6063, and by United States first-class mail to each landowner voter in the district, postage prepaid, and notice shall be deemed given when deposited in the mail. The envelope or cover of the mailing shall include the name of the local agency and the return address of the sender and the mailed notice shall be in at least 10-point type.

(4) The public hearing shall be held at least 45 days after mailing the notice pursuant to paragraph (3).

(5) At the hearing the board shall receive and consider any written or oral comments regarding the proposed reduction in the number of directors. After receiving and considering the comments, the board, by a recorded majority vote of the entire board of directors shall do one of the following:

(A) Disapprove the proposal.

(B) Adopt a resolution that orders the reduction in the number of members of the board to three members.

(c) A reduction in the number of directors pursuant to this section shall not affect the term of office of any director. A director currently holding office as of the effective date of the reduction in the number of members of the board of directors shall continue to be the director until the office becomes vacant by means of term expiration or otherwise.

(d) This section shall be repealed on January 1, 2035.

(Added by Stats. 2014, Ch. 505, Sec. 3. (AB 2455) Effective January 1, 2015. Repealed as of January 1, 2035, by its own provisions.)

61040.2. (a) If the number of members of the board of directors of the Santa Rita Hills Community Services district is reduced pursuant to Section 61040.1, the board may increase the board to five members.

(b) (1) Prior to increasing the board of directors to five members pursuant to Section 61040.1, the board of directors shall adopt, by a recorded majority vote of the entire board of directors, a resolution proposing to increase the number of directors to five members.

(2) The district shall hold a public hearing regarding the proposal to increase the number of directors.

(3) Notice of the public hearing shall be given by placing a display advertisement of at least one-eighth page in a newspaper of general circulation for three weeks, pursuant to Section 6063, and by United States first-class mail to each landowner voter in the district, postage prepaid, and notice shall be deemed given when deposited in the mail. The envelope or cover of the mailing shall include the name of the local agency and the return address of the sender and the mailed notice shall be in at least 10-point type.

(4) The public hearing shall be held at least 45 days after mailing the notice pursuant to paragraph (3).

(5) At the hearing the board shall receive and consider any written or oral comments regarding the proposed increase in the number of directors. After receiving and considering the comments, the board, by a recorded majority vote of the entire board of directors shall do one of the following:

(A) Disapprove the proposal.

(B) Adopt a resolution that orders the increase in the number of members of the board to five members.

(c) If the board adopts a resolution to increase the number of directors pursuant to this section, it shall not subsequently reduce the number of directors pursuant to Section 61040.1.

(d) This section shall be repealed on January 1, 2025.

(Added by Stats. 2014, Ch. 505, Sec. 4. (AB 2455) Effective January 1, 2015. Repealed as of January 1, 2025, by its own provisions.)

61042. (a) The term of office of each member of a board of directors is four years or until his or her successor qualifies and takes office. Directors shall take office at noon on the first Friday in December following their election.

(b) For districts formed before January 1, 2006, where the members of the board of directors are not serving staggered terms, at the first meeting after January 1, 2006, the members shall classify themselves by lot into two classes. One class shall have three members and the other class shall have two members. For the class that has three members, the terms of the offices that begin after the next general district election shall be four years. For the class that has two members, the initial terms of the offices that begin after the next general district election shall be two years. Thereafter, the terms of all members shall be four years.

(c) Any vacancy in the office of a member elected to a board of directors shall be filled pursuant to Section 1780.

(Added by Stats. 2005, Ch. 249, Sec. 3. Effective January 1, 2006.)

61043. (a) Within 45 days after the effective date of the formation of a district, the board of directors shall meet and elect its officers. Thereafter, within 45 days after each general district or unopposed election, the board of directors shall meet and elect the officers of the board of directors. A board of directors may elect the officers of the board of directors annually.

(b) The officers of a board of directors are a president and a vice president. The president shall preside over meetings of the board of directors and the vice president shall serve in the president's absence or inability to serve.

(c) A board of directors may create additional offices and elect members to those offices, provided that no member of a board of directors shall hold more than one office.

(Added by Stats. 2005, Ch. 249, Sec. 3. Effective January 1, 2006.)

61044. A board of directors shall hold a regular meeting at least once every three months. Meetings of the board of directors are subject to the Ralph M. Brown Act, Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5.

(Added by Stats. 2005, Ch. 249, Sec. 3. Effective January 1, 2006.)

61045. (a) A majority of the total membership of the board of directors shall constitute a quorum for the transaction of business.

(b) The board of directors shall act only by ordinance, resolution, or motion.

(c) Except as otherwise specifically provided by law, a majority vote of the total membership of the board of directors is required for the board of directors to take action.

(d) The minutes of the board of directors shall record the aye and no votes taken by the members of the board of directors for the passage of all ordinances, resolutions, or motions.

(e) The board of directors shall keep a record of all its actions, including financial transactions.

(f) The board of directors shall adopt rules or bylaws for its proceedings.

(g) The board of directors shall adopt policies for the operation of the district, including, but not limited to, administrative policies, fiscal policies, personnel policies, and the purchasing policies required by this division.

(Added by Stats. 2005, Ch. 249, Sec. 3. Effective January 1, 2006.)

61046. (a) Ordinances may be passed by the voters by initiative pursuant to Article 1 (commencing with Section 9300) of Chapter 4 of Division 9 of the Elections Code.

(b) Legislative acts may be disapproved by the voters by referendum pursuant to Article 2 (commencing with Section 9340) of Chapter 4 of Division 9 of the Elections Code.

(c) Members of the board of directors may be recalled by the voters pursuant to Chapter 1 (commencing with Section 11000) of Division 11 of the Elections Code.

(Added by Stats. 2005, Ch. 249, Sec. 3. Effective January 1, 2006.)

61047. (a) The board of directors may provide, by ordinance or resolution, that each of its members may receive compensation in an amount not to exceed one hundred dollars (\$100) for each day of service. A member of the board of directors shall not receive compensation for more than six days of service in a month.

(b) The board of directors, by ordinance adopted pursuant to Chapter 2 (commencing with Section 20200) of Division 10 of the Water Code, may increase the amount of compensation that may be received by members of the board of directors.

(c) The board of directors may provide, by ordinance or resolution, that its members may receive their actual and necessary traveling and incidental expenses incurred while on official business. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3.

(d) A member of the board of directors may waive any or all of the payments permitted by this section.

(e) For the purposes of this section, a "day of service" means any of the following:

(1) A meeting conducted pursuant to the Ralph M. Brown Act, Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5.

(2) Representation of the district at a public event, provided that the board of directors has previously approved the member's representation at a board of directors' meeting and that the member delivers a written report to the board of directors regarding the member's representation at the next board of directors' meeting following the public event.

(3) Representation of the district at a public meeting or a public hearing conducted by another public agency, provided that the board of directors has previously approved the member's representation at a board of directors' meeting and that the member delivers a written report to the board of directors regarding the member's representation at the next board of directors' meeting following the public meeting or public hearing.

(4) Representation of the district at a meeting of a public benefit nonprofit corporation on whose board the district has membership, provided that the board of directors has previously approved the member's representation at a board of directors' meeting and the member delivers a written report to the board of directors regarding the member's representation at the next board of directors' meeting following the corporation's meeting.

(5) Participation in a training program on a topic that is directly related to the district, provided that the board of directors has previously approved the member's participation at a board of directors' meeting, and that the member delivers a written report to the board of directors regarding the member's participation at the next board of directors' meeting following the training program.

(Added by Stats. 2005, Ch. 249, Sec. 3. Effective January 1, 2006.)

61048. A board of directors may appoint one or more advisory committees to advise the board of directors about the district's finances, policies, programs, or operations.

(Added by Stats. 2005, Ch. 249, Sec. 3. Effective January 1, 2006.)



Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

Date: July 25, 2018

To: Board of Directors

From: Carey Casciola, Business and Accounting Manager

VIA: Paavo Ogren, General Manager

Subject: **Agenda Item #9(B):** Update and discuss drafting a Feasibility Agreement with The Place on PCH and provide direction as deemed appropriate

Recommendation

It is recommended that your Board update and discuss the drafting of a Feasibility Agreement with The Place on PCH and provide direction as deemed appropriate.

Discussion

At the special meeting on May 30th The Place on PCH (The Place) presented a proposal for leasing the Old Fire Station from the District. A meeting was set up with The Place to discuss the parameters of leasing the Old Fire Station for the purpose of promoting local arts and travelling artists. The Place is currently waiting on the final approval of "The Place on PCH" non-profit 501(c)(3) status.

Before the Board can consider the request of The Place, several issues would need to be addressed. The terms of a lease agreement, the use of volunteers, occupancy use requirements that may be required by the County, including parking requirements, and whether the District would be required to issue a "request for proposals" are some examples. In order to share in research responsibilities, staff has discussed with The Place about researching occupancy requirements with the County as District legal counsel and staff is researching lease-related requirements.

Overall, once The Place has received its 501(c)(3) status, entering into a feasibility agreement may help ensure coordination with the County and stakeholder support for The Place.

Other Agency Involvement

The San Luis Obispo County Planning Department.



Oceano Community Services District

Board of Directors Meeting

Financial Considerations

The District currently leases facilities to the County Sheriff's department, Five Cities Fire Authority, Oceano Train Depot, the Oceano Community Center and others. These rents are revenues in the District's Facilities Fund.

Results

Coordinating with The Place and the County on District facilities promotes a well governed community.



Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

Date: July 25, 2018

To: Board of Directors

From: Paavo Ogren, General Manager

Subject: **Agenda Item # 9(C): Consideration of a recommendation to approve a revised Utility Relocation Agreement with the County of San Luis Obispo relating to the County's Highway One Drainage project and payment of a deposit in the amount of \$109,868.**

Recommendation

It is recommended that your Board:

1. Approve the revisions to the attached Utility Relocation Agreement with the County of San Luis Obispo relating to the County's Highway One Drainage project and direct the President to execute along with any final non-substantive changes that may be edited and approved by legal counsel.
2. Authorize a deposit payment required in by Section D(1) in the amount of \$109,868.

Discussion

Previously, on January 25, 2017, your Board approved the original utility relocation relating to the County's Highway One drainage project. In most situations when the County is reconstructing a road, bridge or related project, the utilities that are located within the County's road rights-of-way must be relocated to conform to County design specifications - at the utility owner's expense. The County's Highway One drainage project requires the District to relocate certain existing water and wastewater infrastructure which conflict with the County's project design.

The District's cost burden has been reviewed by legal counsel, which involves both statutory law and case law. The exception identified for the utility relocations needed at this time involve District utilities in Dolphin Avenue. The District's facilities pre-date the County acceptance of Dolphin Avenue into the County road maintenance system, and the District essentially has senior rights. Dolphin Avenue relocation costs are therefore the burden of the County to pay, and have been appropriately identified in the attached agreement as a County cost.



Oceano Community Services District

Board of Directors Meeting

The revisions to the original agreement are illustrated in Attachment "A" and are needed, at this time, to recognize the delays encountered when the project was originally bid by the County. Contractor bids exceeded the County's project budget and those bids were rejected. Since then, the County has pursued additional funding sources and has indicated that they are poised to re-bid the project.

The following is a list of the utility relocations that are required at District cost. Attachment "A" provides a vicinity map and the District Engineer's Opinion of Probable Construction Cost.

1	SR-1 STA 10+90 12" WATERLINE MODIFICATION	\$24,455.
2	RAILROAD STREET 6" SEWER MODIFICATION	\$31,800.
3	15TH STREET STA. 13+85 12" WATERLINE MODIFICATION	\$17,060.
4	PASO ROBLES STREET STA. 10+15 6" WATERLINE	\$7,495.
5	RAILROAD STREET STA. 13+45 6" WATERLINE	\$9,990.
	SUBTOTAL =	<u>\$90,800.00</u>
	10% contingency =	9,080.00
	GRAND TOTAL =	<u>\$99,880.00</u>

In summary, the attached agreement has been negotiated with the County so that the District utility modifications can be included in the County contractor's scope of work for the upcoming County drainage project. The agreement provides the District with the ability to reject the work from the County's construction contract if the District provides notification of its decision to reject the bids within 7 days of receiving the County's "Notice of Low Bid." In such an event, a special meeting may be required for your Board. To reject the bids, the District will need to secure alternative bids, in advance, from contractors that can complete the work in an expeditious manner. Since there will be additional costs and risks if the District procures the contractor, the recommendations would only provide this option to your Board if County bids exceed \$115,000, or 15% above the District Engineer's estimate.

Other Agency Involvement

The General Manager will file a Notice of Exemption pursuant to the California Environmental Quality Act with the San Luis Obispo County Clerk Recorder. Some work is required in Highway One, which is maintained by Caltrans.



Other Financial Considerations

The attached agreement also provides that the District pay a pro-rata share of County's general project administration costs. The agreement, however, requires the District to inspect the contractor's work associated with District utilities. As a result, the County has agreed to a fixed fee of 10% of construction costs for their general administrative costs. In contrast, a 15% administrative charge was applicable to the 2016 asphalt overlay project. The County agreed that a reduction to 10% for this project is appropriate to reflect non-construction costs incurred by the District relating to the Dolphin Avenue relocation.

The water fund portion of estimated costs, including contingencies, and County administrative costs is approximately \$71,390 and the sewer fund portion is \$38,478 for a total of \$109,868. Both funds have sufficient capital improvement financial reserve to fund the adjustments. The Board previously approved the budget and it has been encumbered and still available. Budget adjustments may be needed based on the results of contractor bids.

Results

Coordination of work with the County on the required utility modifications will help to ensure that the District is proceeding in a cost effective manner and promotes well governed communities.

Attachments:

- A. Project Vicinity Map
- B. Engineer's Opinion of Probable Costs
- C. Utility Relocation Agreement with County of San Luis Obispo
- D. Redline of Original Utility Relocation Agreement approved January 25, 2017

OCEANO COMMUNITY SERVICES DISTRICT OCEANO DRAINAGE IMPROVEMENTS OCEANO, CA

SHEET INDEX

SHEET 1	TITLE SHEET
SHEET 2	PLAN AND PROFILE
SHEET 3	PLAN AND PROFILE
SHEET 4	RELOCATIONS

LEGEND

EXISTING	PROPOSED
PROPERTY LINE	---
RIGHT-OF-WAY	---
CURB	---
CURB & GUTTER	---
FENCE	X
DAYLIGHT LINE	---
EASEMENT	---
FLOWLINE	---
RETAINING WALL	---
SLOPE	---
CONTOURS	---
WATER MAIN	W
FIRE WATER LINE	FW
SANITARY SEWER LINE	SS
STORM DRAIN LINE	SD
GAS LINE	G
ELECTRIC LINE	E
OVERHEAD WIRES	OH
FIBER OPTICS	FO
TELEPHONE	T
UNDERGROUND TELEPHONE	UT
JOINT TRENCH	JT
TYPICAL LATERALS	XX
WATER VALVE	⊗
WATER METER	⊗
GAS METER	⊗
FIRE HYDRANT	⊗
STREET LAMP	⊗
STREET LIGHT	⊗
PG&E BOX	⊗
TRANSFORMER	⊗
MONUMENT	⊗
STORM DRAIN INLET	⊗
CURB INLET	⊗
FIRE DEPARTMENT CONNECTION	⊗
POWER POLE	⊗
FOUR-WAY SIGN	⊗
TWO-WAY SIGN	⊗
CLEANOUT	⊗
SDMH	⊗
SSMH	⊗
AIR RELEASE VALVE	⊗
ASPHALT CONCRETE	ARV
BEGIN CURB RETURN	BCR
BEGIN CURVE	BC
BEGIN VERTICAL CURVE	BVC
CATCH BASIN	CB
CENTERLINE	CL
END CURB RETURN	ECR
END CURVE	EC
END VERTICAL CURVE	EVC
FINISHED GRADE	FG
FINISHED SURFACE	FS
FINISH FLOOR	FF
FIRE DEPARTMENT CONNECTION	FDC
FLOW LINE	FL
GRADE BREAK	GB
HIGH POINT	HP
INVERT	INV
OUTSIDE GRADE	OG
POINT OF CONNECTION	POC
POINT OF REVERSE CURVE	PRC
POINT OF REVERSE VERTICAL CURVE	PRVC
PROPERTY LINE	PL
PUBLIC UTILITY EASEMENT	PUE
RIGHT-OF-WAY	ROW
TOP OF BERM	TB
TOP OF CURB	TC
TOP OF FOOTING	TF
TOP OF GRATE	TG
TOP OF WALL	TW
AC PAVING	---
CONCRETE	---



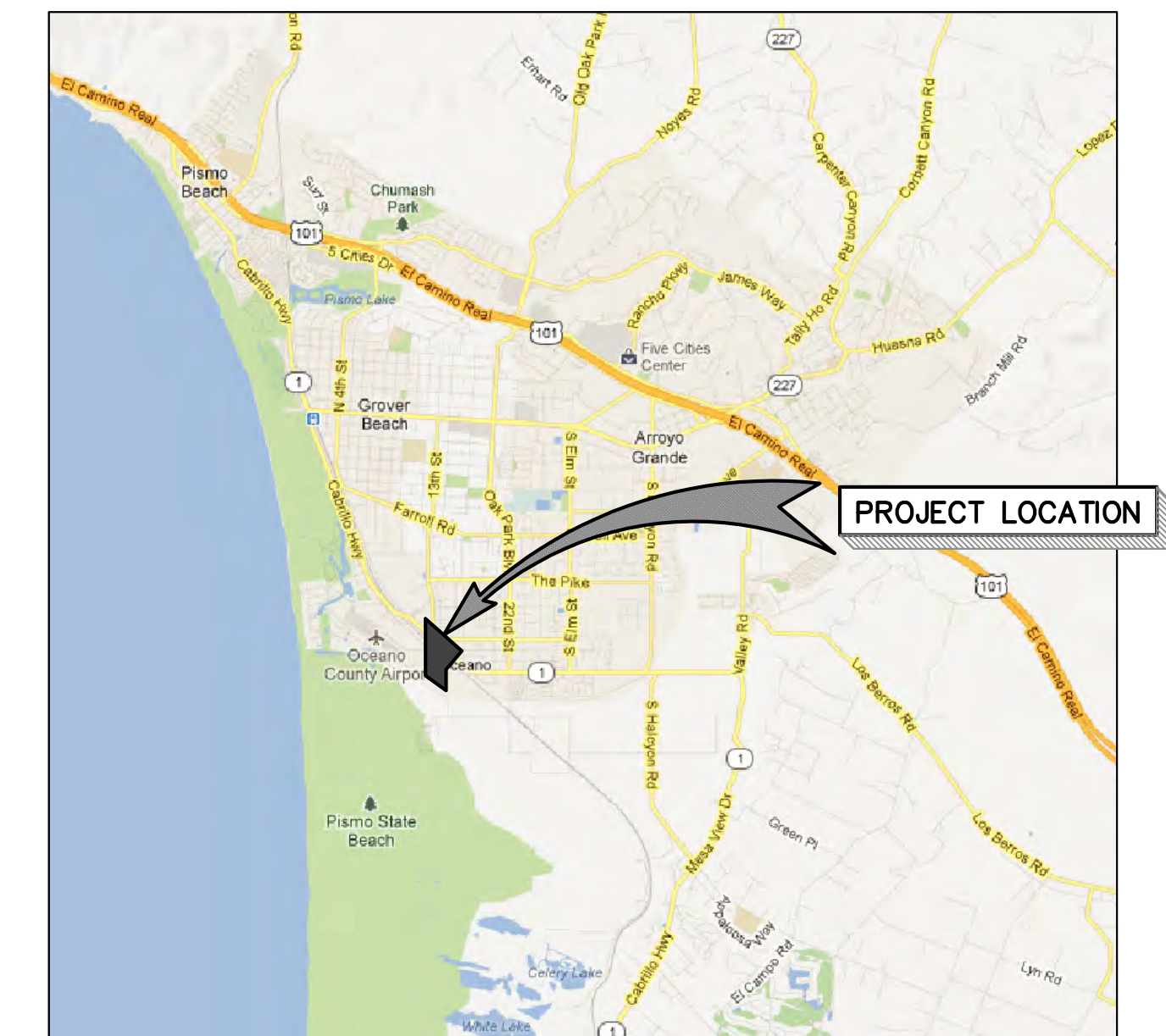
LOCATION MAP
SCALE HORIZ 1"=300'

APPROVED: _____, 20 _____

OCEANO COMMUNITY SERVICES DISTRICT – GENERAL MANAGER

SECTION AND DETAIL NUMBERING SYSTEM

- SECTION CUT ON DRAWING SHEET X.
- ON SHEET X, THIS SECTION IS IDENTIFIED AS
- DETAILS ARE CROSS-REFERENCED IN A SIMILAR MANNER; EXCEPT THAT DETAILS ARE IDENTIFIED BY NUMBER RATHER THAN LETTER.



VICINITY MAP
NTS



REV. NO.	DATE	REVISED	DESTROY ALL PRINTS BEARING EARLIER DATE	REV. BY	OKD. BY	APRD. BY

Cannon

1050 Southwood Drive
San Luis Obispo, CA 93401
P 805.544.7407 F 805.544.3863

THESE DRAWINGS ARE INSTRUMENTS OF SERVICE AND ARE THE PROPERTY OF CANNON. ALL DESIGNS AND INFORMATION ON THESE DRAWINGS ARE FOR USE OF THE SPECIFIED PROJECT AND SHALL NOT BE USED OTHERWISE OR REPRODUCED WITHOUT THE EXPRESSED WRITTEN PERMISSION OF CANNON.

OCEANO COMMUNITY SERVICES DISTRICT OCEANO DRAINAGE IMPROVEMENTS		
TITLE SHEET		
OCEANO, CA		
DRAWN BY KM	DATE 09/07/2016	CA JOB NO. 160355.01
CHECKED BY	SCALE AS SHOWN	SHEET 1 OF 4

**Oceano Drainage Improvements
Oceano, Ca**

**ENGINEERS OPINION OF PROBABLE CONSTRUCTION COST
Oceano Community Services District Improvements
October 17, 2016**

ITEM NO.	ITEM CODE	ITEM DESCRIPTION	APPROXIMATE QUANTITY	UNIT OF MEASURE	UNIT COST	TOTAL
1	N/A	SR-1 STA 10+90 12" WATERLINE MODIFICATION	1	LS	\$24,455.00	\$24,455.00
2	N/A	RAILROAD STREET 6" SEWER MODIFICATION	1	LS	\$31,800.00	\$31,800.00
3	N/A	15TH STREET STA. 13+85 12" WATERLINE MODIFICATION	1	LS	\$17,060.00	\$17,060.00
4	N/A	PASO ROBLES STREET STA. 10+15 6" WATERLINE MODIFICATION	1	LS	\$7,495.00	\$7,495.00
5	N/A	RAILROAD STREET STA. 13+45 6" WATERLINE MODIFICATION	1	LS	\$9,990.00	\$9,990.00

SUBTOTAL = \$90,800.00

APPROVED: October 20, 20 16



OCEANO COMMUNITY SERVICES DISTRICT, DISTRICT ENGINEER

Contingency - 10% of Total = \$9,080.00
GRAND TOTAL = \$99,880.00

In providing opinions of probable construction costs, the DISTRICT must understand that Cannon has no control over the costs or the price of labor, equipment or materials, or over the Contractor's method of pricing, and that the opinions of probable costs provided herein are made on the basis of Cannon's qualifications and experience. Cannon makes no warranty, expressed or implied, as to the accuracy of such opinions as compared to bid or actual costs.

EA = Each, LS = Lump Sum, LF = Lineal Feet, SF= Square Feet, SY = Square Yard, CY = Cubic Yard

UTILITY RELOCATION AGREEMENT

Oceano Drainage Improvement Project Oceano, California

THIS UTILITY RELOCATION AGREEMENT ("Agreement") is made by and between the **OCEANO COMMUNITY SERVICES DISTRICT**, a community services district, hereinafter referred to as "District," and the **COUNTY OF SAN LUIS OBISPO**, a political subdivision of the State of California, hereinafter referred to as "County." (Hereafter, the District and the County may also be referred to as the "Parties.")

WITNESSETH:

WHEREAS, the County is preparing to install storm drain improvements associated with the Oceano Drainage Improvement Project (WBS 300465) in Oceano, California (hereinafter the "Project"); and

WHEREAS, the plans, specifications, and estimates (PS&E) for the construction of the Project shall hereinafter be referred to as the "Project Plans"; and

WHEREAS, the County has provided the District a copy of the Project Plans; dated November 13, 2017; and

WHEREAS, the area within ten (10) feet of any digging or excavation work contemplated by the Project Plans shall hereinafter be referred to as the "Conflict Area;" and

WHEREAS, the District's water and sewer pipelines and related facilities (hereinafter "District Utility Lines") that are within the Conflict Area need to be relocated; and

WHEREAS, the Project Plans show approximately sixty (60) linear feet of District Utility Lines located within the Conflict Area for work shown along Dolphin Avenue (hereinafter the "Dolphin Avenue Facilities"); and

WHEREAS, District Utility Lines located within the Conflict Area for work on any other portion of the Project (i.e., any work other than the Dolphin Avenue work) shall hereinafter be referred to as the "Other District Facilities;" and

WHEREAS, the Other District Facilities include the District Utility lines located within the Project areas described in the attached Exhibit "A" (which constitute approximately four hundred (400) linear feet of District Utility Lines); and

WHEREAS, the District hereby represents that it is not aware of any other District Utility Lines that would constitute Other District Facilities other than those located within the Project areas described in the attached Exhibit A; and

WHEREAS, the Parties desire to work together to coordinate the relocations work with the Project's construction contract (hereafter, "Construction Contract") pursuant to the terms of the Agreement; and

WHEREAS, the Parties acknowledge that the Project's Construction Contract will be performed in highways and funded with federal funds; and

WHEREAS, it is understood that said highway is a Federal aid highway and accordingly, 23 CFR, Chapter 1, Part 645 is hereby incorporated into this Agreement. In addition, the provisions of 23 CFR 635.410, Buy America, are also incorporated into this Agreement. The Buy America requirements are further specified in Moving Ahead for Progress in the 21st Century (MAP-21), section 1518; 23 CFR 635.410 requires that all manufacturing processes have occurred in the United States for steel and iron products (including the application of coatings) installed on a project receiving Federal funding; and

WHEREAS, the Parties understand and acknowledge that this Project is subject to the requirements of the Buy America law (23 U.S.C., Section 313) and applicable regulations, including 23 CFR 635.410 and FHWA guidance. The County hereby certifies that in the performance of this Agreement, for products where Buy America requirements apply, it shall use only such products for which it has received a certification from its supplier, or provider of construction services that procures the product certifying Buy America compliance. This does not include products for which waivers have been granted under 23 CFR 635.410 or other applicable provisions or excluded material cited in the Department's guidelines for the implementation of Buy America requirements for utility relocations issued on December 3, 2013.

NOW, THEREFORE, the Parties hereto agree as follows:

A. Recitals

1. The above recitals are incorporated herein by reference as though fully set forth herein.

B. Allocation of Costs

1. "Relocation Work" shall mean all design, construction, inspection, and Project administration work relating to the relocation of any District Utility Lines within the Conflict Area pursuant to the Project's Construction Contract.
2. Except as otherwise expressly provided for in this Agreement, the District shall be responsible for all reasonable costs of the Relocation Work associated with the Other District Facilities.
3. Except as otherwise expressly provided for in the Agreement, the County shall be responsible for all reasonable costs of the relocation Work associated with the Dolphin Avenue Facilities.
4. The Parties acknowledge that, to the extent the construction of the relocation of any District Utility Lines is performed as part of the Project's Construction Contract, the

construction work shall be performed by the independent contractor (hereafter "Contractor") that is awarded said Construction Contract based upon the lowest responsive bid on the base contract under Public Contract Code Section 20103.8(a). The Parties agree that, as between the District and the County, the Contractor's bid price for any additive bid item regarding the relocation of Other District Facilities shall be deemed reasonable subject to the terms of this Agreement.

5. The Parties further acknowledge that neither the County nor the District guarantees the performance of the Contractor, and neither Party insures or indemnifies the other Party for any breaches of the Construction Contract by the Contractor. Except as otherwise expressly provided for in this Agreement, neither the County nor the District are responsible for any costs or damages incurred by the other Party arising from a breach of the Construction Contract by the Contractor.

C. Preconstruction Work

1. The parties acknowledge that the County shall not be responsible for the design of any Relocation Work. As the owner of the District Utility Lines, the District shall be solely responsible for preparation of all necessary plans, specifications, and estimates (PS&E) for the relocation of any District Utility Lines.
2. In order to facilitate the timely completion of the Project, the County has retained a design engineer to prepare the PS&E for the relocation of the Dolphin Avenue Facilities, which have been included in the Project Plans. The portions of the Project Plans regarding the relocation of the Dolphin Avenue Facilities have already been reviewed and approved by the District's retained engineer, and the District hereby approves those portions of the Project Plans regarding the relocation of the Dolphin Avenue Facilities.
3. The District has provided the County the District's final PS&E for the construction of the relocation of the Other District Facilities. Said PS&E are dated January 19, 2018 and were prepared by the District's retained engineer. Pursuant to the latest approved County construction standards, any above grade facilities included in said PS&E shall ensure 10-foot clearance and any affected valves or covers shall be adjusted to finish grade. The District shall be responsible for ensuring that said PS&E are in compliance with any applicable laws and regulations, including any State Health Department utility separation requirements.
4. The District is responsible for the accuracy and completeness of all documents and information submitted to the County relating to the design, bidding, and/or construction of the relocations of any District Utility Lines. The County assumes no responsibility for the accuracy or completeness of any documents or information submitted on behalf of the District relating to the design, bidding, and construction

of Relocation Work. The District shall defend, indemnify and hold harmless the County, its officers, agents, and employees from any and all claims, demands, damages, costs, expenses, judgments or liability (hereafter "Claims") arising from any assertions regarding the inaccuracy or incompleteness of any documents and information submitted to the County relating to the design, bidding, and/or construction of the Relocation Work, including but not limited to any Claims by the construction Contractor that said inaccuracy or incompleteness caused by the Contractor to incur delays, additional costs or monetary damages.

5. The County agrees that it will satisfy all preconstruction environmental planning requirements of the Project under the California Environmental Quality Act, National Environmental Policy Act, and related environmental regulations with respect to any Relocation Work performed under the County's Construction Contract. However, the District shall remain responsible for all reasonable costs relating to any construction work addressing and/or mitigating any environmental or related matters associated with any Relocation Work regarding the Other District Facilities. (For example, if any Native American artifacts or remains are located in any areas where said Relocation Work is to be performed, the District shall remain responsible for all reasonable costs incurred in addressing and/or mitigating said matters, regardless of whether or not said Native American artifacts or remains were addressed in any preconstruction environmental planning documents.)

D. Required Deposit of Funds by District

1. The District shall pay the County an initial deposit of \$109,868.00 for the Relocation Work relating to the Other District Facilities within seven (7) days of receiving a written demand therefor from the County Public Works Department. If said deposit is not received by County by said date, the Relocation Work relating to the Other District Facilities will not be part of the Project and the District shall independently relocate the Other District Facilities at its own expense no later than December 31, 2018. (Hereafter, the term "Deposit Amount" shall refer to the amount of said initial deposit, plus any subsequent deposits and less any deposit refunds made under this Agreement.
2. If the District does pay the County the initial Deposit Amount of \$109,868.00 within seven (7) days of receiving a written demand therefor from the County Public Works Department, the District's PS&E for the construction of the relocation of the Other District Facilities shall be incorporated into the Project Plans for the purpose of including the relocation of the Other District Facilities as an additive bid item when the Construction Contract for the County's Projects is advertised for bids pursuant to Public Contract Code Section 20103.8(a). (If the County elects to advertise the Construction Contract for bids before said seven (7) day period expires, and said deposit is not received within said seven (7) day period, the County will issue an

addendum to the Construction Contract deleting the inclusion of the relocation of Other District Facilities as an additive bid item, the Relocation Work relating to the Other District Facilities will no be part of the Project, and the District shall independently relocate the Other District Facilities at its own expense no later than December 31, 2018.

E. Award of County Project Construction Contract

1. The below subsections of this Section E are applicable only if the relocation of the Other District Facilities is included as an additive bid item in the Construction Contract for the County's Project pursuant to this Agreement.
2. If the relocation of the Other District Facilities is included as an additive bid item pursuant to this Agreement, the lowest bid shall be the lowest responsive bid price on the base contract for the Project without consideration of the bid prices on any additive or deductive items included in the County's bid solicitation pursuant to subdivision (a) of Public Contract Code Section 20103.8. In other words, any amount(s) bid as the bid price for the additive bid item for constructing the relocation of the Other District Facilities shall be irrelevant to the County's determination of the lowest responsive bid.
3. After the bids are opened, the County will provide the District with written notice of which bid has been determined to be the lowest responsive bid by the County's Public Works Department pursuant to the criteria set forth in subdivision (a) of Public Contract Code Section 20103.8. (Said written notice by the County shall hereafter be referred to as the "Low Bid Notice.") the County will try to send out the Low Bid Notice within five (5) business days of the bid opening date, but the notice may be delayed if any bidder(s) submit a bid protest (or to allow the time for submitting a protest to lapse). If the District has any objection to the County's determination of the lowest responsive bid, the District's sole remedy is to timely provide the County with written notice that the District is rejecting having the relocation of the Other District facilities performed as part of the Project's Construction Contract as set forth below. The District hereby waives any right(s) it may have to protest or challenge in any forum (including any administrative procedures of the County or judicial proceedings of the courts) the County's determination of the lowest responsive bid. The District further waives any claims for damages against the County arising from any alleged erroneous determination by the County of the lowest responsive bid.
4. The District shall have seven (7) days from the date the County provided the Low Bid Notice to the District to provide the County written notice of the District's decision to reject having the relocation of the Other District Facilities performed as part of the Project's Construction Contract. If the County does not receive such written notice of rejection within seven (7) days of the Low Bid Notice, and the District timely pays any

supplemental deposit amounts required in Section E.6 below, then (a) the District shall be deemed to have approved the additive bid amount for the relocation of the Other District Facilities submitted by the lowest responsive bid (as determined by the County), (b) the County shall accept said additive bid item, and (c) said relocation of the Other District Facilities shall be performed as part of the Project's Construction Contract. If the District does provide such written notice of rejection within seven (7) days after date the County provided the Low Bid notice to the District, or fails to timely pay any supplemental deposit amounts required in Section E.6. below, this shall result in the following: (a) the Deposit Amount shall be promptly returned to the District (less any reasonable costs incurred by the County for any relocation Work regarding the Other District Facilities); (b) the County will not include the additive bid item as part of the Project Construction Contract; and (c) the District shall independently relocate the Other District Facilities at its own expense no later than December 31, 2018, or as otherwise agreed in a separate written agreement signed by the District's General manager and the County Director of Public Works.

5. In the event the county's Public Works Department ever later sends the District a subsequent Low Bid Notice as a result of a bid protest for any other reason whatsoever, the last Low bid Notice provided to the District shall be considered the only Low Bid notice for purposes of this Section E, any prior versions of the Low Bid Notice shall be deemed null and void, and all District deadlines identified in this Section E shall be reset based upon the last Low Bid Notice.
6. If the bid amount for the additive bid item for the Other District Facilities on the lowest responsive bid (as determined by the County) is greater than \$99,880.00, the District must pay the supplemental deposit described in this paragraph in order for the County to be obliged to accept that additive bid. If the bid amount for the additive bid item for the Other District Facilities on the lowest responsive bid (as determined by the County) is greater than \$99,880.00, the District must pay the County a supplemental deposit in a an amount equal to 110% of the amount in excess of \$99,880.00 within fourteen (14) calendar days of the date the County provided the Low bid Notice to the District. If said supplemental deposit is not received by County by that date, the relocation of the Other District Facilities will not be part of the Project and the District shall independently relocate the Other District Facilities at its own expense no later than December 31, 2018, or as otherwise agreed in a separate written agreement signed by the District's General Manager and the County Director of Public Works.
7. Notwithstanding the foregoing, the County reserves its right to reject all bids for the Project (including the relocation Work), and to not award any Construction Contract at all. If the County does exercise this right, each party shall be responsible for bearing its own costs, expenses, and damages relating to this Agreement.

8. If the District does independently relocate the Other District Facilities, the District shall comply with all applicable laws and regulations, including the obligation to obtain an encroachment permit from the County for any relocation work within any County right of way.

F. Adjustments to Deposit Amount

1. In the event the Deposit Amount ever falls below 110% of the County's Third Party Costs ("County 3P Costs") relating to the Other District Facilities, the County shall have the right to request in writing that the District pay an additional deposit to the County in an amount that would make the Deposit Amount equal to 110% of said County 3P Costs. (For purposes of this Agreement, "County 3P Costs" shall refer to the Contractor's total bid price for the additive bid item for the relocation of the Other District Facilities, plus/minus any increases/decreases in the contract price for said work under the Construction Contract per change orders executed by the County in a manner consistent with this Agreement, plus any reasonable costs the County pays an outside consultant for any services relating to said Relocation Work). Within ten (10) days of being provided such written request from the County, the District shall pay to the county an amount that would make the District's Deposit Amount equal to 110% of said 3P Costs. If the County does not receive a District payment within said time period in an amount sufficient to make the Deposit Amount equal to at least 110% of said County 3P Costs, the County shall be entitled to recover interest from the District on the amount the District failed to so timely pay at the rate of 2% per month.
2. In the event the Deposit Amount ever exceeds 110% of the County 3P Costs for the relocation Work relating to the Other District Facilities, the District shall have the right to request in writing a refund of the amount by which the Deposit Amount exceeds 110% of said County 3P Costs. Within ten (10) days of being provided such written request from the District, the County shall refund to the District an amount that would make the District's Deposit Amount equal to 110% of said County 3P Costs. If the district does not receive a refund payment from the County within said time period in an amount sufficient to make the Deposit Amount equal to no more than 110% of said County 3P Costs, the District shall be entitled to recover interest from the County on the amount the District failed to so timely pay at the rate of 2% per month.

G. Construction of Relocation Work

1. The parties acknowledge that the County shall not be responsible for inspecting any work under the Construction Contract relating to the relocation of any District Utility Lines, including but not limited to, any testing of any District Utility Lines relocated pursuant to the Construction Contract. As between the District and the County, the District shall be solely responsible for any and all such inspections.

2. The County will forward to the District any Request for Information (“RFI”) it receives from the Contractor pertaining to the construction of the relocation of any District Utility Lines, and the District shall be obliged to provide a timely response to the County regarding the RFI.
3. The District shall provide, in a timely manner, all inspections necessary to verify that any work under the Construction Contract relating to the relocation of any District Utility Lines is constructed in conformance with the Construction Contract. The District shall coordinate any such inspections with the Contractor, and shall have access to the job site to inspect the construction and testing of any such work.
4. The District acknowledges that the Contractor is responsible for the safety of the job site. The District shall hold the County harmless of any claim arising from any injury to District property or personnel which may occur on the job site that is not caused by an act of negligence of the County, a County employee, or an agent of the County. Similarly, if an independent consultant or contractor of the District suffers any injury to person or property while on the job site, the District shall defend and indemnify the County from any and all such claims related thereto unless an act of negligence of the County, a County employee, or an agent of the County caused the injury.
5. The District shall immediately report to the County any substandard or defective work or materials discovered by the District relating to the relocation of any District Utility Lines that is not in compliance with the Construction Contract. If the County receives such a timely report from the District, the County shall direct the Contractor to repair or replace any such materials or work which the County agrees is substandard or defective. The Parties acknowledge that no inspection performed by the District under this Agreement shall relieve the Contractor of its obligation to perform any work in accordance with the Construction Contract. The District acknowledges that the County’s sole and exclusive obligations with respect to any substandard or defective work or materials are set forth in this Agreement. In the event the District fails to immediately report any substandard or defective work or materials to the County, or later discovers any substandard or defective work or materials, the District shall have no claims against the County for any District damages relating to any such substandard or defective work or materials.
6. Prior to making any payment to the Contractor for any work under the Construction Contract relating to the relocation of any District Utility Lines, the County shall provide written notice to the District regarding the proposed payment amount for work relating to the relocation of any District Utility Lines. Within five (5) days of being provided said notice, the District shall notify the County in writing of any reasonable objections it has to the proposed payment amount with sufficient particularity so that the Contractor and/or the County can take whatever appropriate actions may be

necessary to address the District's objection(s). The District will be deemed to have approved any payment items which are not so objected to in writing within said five (5) day period. In the event the District provides a timely written objection to any payment items, and a payment to the Contractor is denied, delayed or reduced by the County in response to a District objection, the District shall hereby defend, indemnify and hold harmless the County from any and all liability, damages, claims, demands, and costs (including costs of defense and attorney fees) relating to, or arising from, any claims by the Contractor that said denial, delay or reduction in payment was improper or unlawful. Although the County reserves the right to disregard any objection it receives from the District that the County deems to be unreasonable, the District's above obligation to defend, indemnify and hold harmless the County shall apply regardless of the reasonableness of the District's objection.

7. Prior to giving its final approval of any proposed change order for any work under the Construction Contract relating to the relocation of any District Utility Lines, the County shall notify the District in writing by providing the District a copy of the proposed change order. As expeditiously as reasonable possible, and no later than 48 hours of being provided said notice by email and facsimile, the District shall notify the County in writing (by email and facsimile) of any reasonable objections it has to the proposed change order with sufficient particularity so that the Contractor and/or the County can take whatever appropriate actions may be necessary to address the District's objection(s). It is understood and agreed by the Parties that any District approval regarding proposed change orders to the Dolphin Avenue Facilities shall be only in regards to the Relocation work and not as to cost of the change in work, as any such change in cost shall be paid by the County pursuant to this Agreement. The District will deemed to have approved any proposed change orders which are not so timely objected to in writing. In the even the District provides a timely written objection to any proposed change order, and the proposed change order is denied, delayed or reduced by the County in response to a District objection, the District shall hereby defend, indemnify and hold harmless the County from any and all liability, damages, claims, demands, and costs (including costs of defense and attorney fees) relating to, or arising from, any claims by the Contractor that said denial, delay or reduction was improper or unlawful. Although the County reserves the right to disregard any objection it receives from the District that the County deems to be unreasonable, the District's above obligation to defend, indemnify and hold harmless the County shall apply regardless of the reasonableness of the District's objection.
8. Notwithstanding the foregoing, the Parties recognize that exigent circumstances may arise at the job site where it would be impractical for the County to provide written notice to the District before the County ordered the Contractor to perform work relating to the relocation of District Utility Lines that is different than that set forth in the Construction Contract. Under such exigent circumstances, the County is not obliged to providing the District with any written notice before ordering the

Contractor to perform the changed work. To the extent it is practical, the County shall try to consult with the District under such circumstances.

9. The construction of the relocation of any District Utility Lines performed under the Construction Contract shall be deemed completed on the earliest "completion" date under Public Contract Code Section 7107(c)). Upon such completion date, the District shall automatically assume full, complete and sole ownership and control over the District Utility Lines installed as part of the Construction Contract, and shall be solely responsible for the operation and maintenance of said facilities. The County shall not be responsible for any costs incurred for and Relocation Work on any District Utility Lines after said completion date, unless said costs are incurred as a result of a breach of an express obligation of the County provided for in this Agreement.
10. The District's failure to provide the County a timely written objection to a proposed payment to the Contractor under Section G.6. above shall constitute an acknowledgement by the District that it is not aware of any substandard or defective work or materials regarding any of the Relocation Work relating to the proposed payment. Prior to making a final payment to the Contractor, the County reserves the right to require that the District provide the County a list of any and all written objections it has provided the County pursuant to Section G.5. and G.6. above that the District does not believe have been properly resolved. The District shall provide the County a written response within five (5) days of being provided a written notice by the County that the County is exercising its rights under this subsection. The District's written response shall either list and describe any such objections, or simply state that no such objections exist. If the District does not respond within said five (5) day period, the District shall be deemed to have acknowledged that no such objections exist.
11. The County's Construction Contract shall require that the District, its directors, officers, and employees be named as additional insured's for the Relocation Work under the general liability and automobile insurance policies of the construction Contractor.
12. The County's Construction Contract shall identify the District as an expressed third-party beneficiary of any and all terms, provisions, plans, specifications and drawings in the Construction Contract relating to any work and materials regarding any District Utility Lines and the District shall have all rights and remedies against the Contractor for latent and other defects.
13. The Construction Contract shall require the Contractor to defend, indemnify, and save harmless the District, its director, officers, and employees in the same manner as the County under the Construction Contract.

14. Upon completion of the Project, the District will apply for an encroachment permit from County for any District Utility Lines within the County right of way. The District will be responsible for all general provisions of the encroachment permit, and the County agrees to issue the District said encroachment permit.

H. District Reimbursement of County Costs

1. The District shall reimburse the County for all reasonable costs incurred by the County relating to the Relocation Work associated with the Other District Facilities including but not limited to (a) any Relocation Work relating to change orders approved by the County in a manner consistent with the terms of this Agreement, and (b) any amounts the County deems reasonable to pay the Contractor to settle any claims made by the Contractor regarding work under the Construction Contract relating to the relocation of any Other District Facilities.
2. The Parties agree that the portion of the County's internal costs (i.e. County Staff time) for Project administration work attributable to the Relocation Work (including, but not limited to costs relating to reviewing and assembling the bid package, advertising and evaluating bids, award of contract, pre-construction environmental planning and compliance, processing payments to the Contractor, and other Construction Contract administration) shall be calculated as 10 percent of the construction cost of the relocation of the Other District Facilities. The District shall reimburse the County for all of the County's 3P Costs (as defined in Section F.1. above).

I. General Provisions

1. Time is of the essence. If the District fails to act in a timely manner, and said failure causes the County to incur additional cost under the Construction Contract, the District shall reimburse the County for any and all such costs. Unless otherwise specified, whenever the term "day" or "days" is used herein, it shall mean calendar days.
2. The County reserves the right to not proceed with the Project, or any portion thereof, for any reason. In the event the County exercises such right in writing, no Relocation Work shall be required under this Agreement, and the District shall be obliged to reimburse the County for all costs incurred by the County relating to the Relocation Work up to the date the County provides such written notice.
3. The District shall defend, indemnify and save harmless the County, its officers, agents, and employees from any and all claims, demands, damages, costs, expenses, judgments or liability arising from any act or omission of the District that is negligent or otherwise in breach of this Agreement.

4. The County shall defend, indemnify and save harmless the District, its officers, agents, and employees from any and all claims, demands, damages, costs, expenses, judgments or liability arising from any act or omission of the County that is negligent or otherwise in breach of this Agreement.
5. This Agreement shall not be changed or modified except upon written consent of the parties hereto.
6. Non-enforcement of any term, covenant or provision of the Agreement by either party shall not be considered a waiver by that party of rights under that Agreement or a waiver of any breach of the Agreement. To the extent any conduct of a party is construed as a waiver, the party's waiver of the breach of any on term, covenant or provision of this Agreement shall not be a waiver or a subsequent breach of the same term, covenant or provision of this Agreement.
7. This Agreement has been executed and delivered in, and shall be interpreted, construed, and enforced pursuant to and in accordance with the laws of the State of California. All duties and obligations of the parties created hereunder are performable in the County of San Luis Obispo; and such County shall be that venue for any action or proceeding that may be brought or arise out of, in connection with, or by reason of, this Agreement. If any action or other proceeding is filed to enforce or interpret this Agreement or any provision herein, the prevailing party shall be entitled to recover from the non-prevailing party, in addition to all other relief, its reasonable attorneys' and expert witnesses' fees, expenses and costs incurred in preparation for such action or proceeding, in pursuing such action or proceeding, on appeal from any such action or proceeding, and in collecting any monetary award resulting from such action or proceeding.
8. If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.
9. Unless otherwise provided, all notices herein required shall be in writing, shall be delivered either by email or United States first class mail, postage prepaid. Notices required to be given to County shall be addressed as follows:

First Class Mail Delivery

Department of Public Works
Room 206 County Government Center
San Luis Obispo, CA 93408
Attn: Dave Flynn, Deputy Director

-Or-

Email Delivery
dflynn@co.slo.ca.us
pwd@co.slo.ca.us

-Or-

Facsimile (Fax)
(805) 781-1229

Notices required to be given to District shall be addressed as follows:

First Class Mail Delivery
Oceano Community Services District
1655 Front Street
Oceano, CA 93445
Attn: Paavo Ogren, General Manager

-Or-

Email Delivery
paavo@oceanocsd.org
office@oceanocsd.org

-Or-

Facsimile (Fax)
(805) 481-6836

Notices sent by email or facsimile (fax) shall be deemed provided to, and received by, the other party when the email or facsimile (fax) was properly sent. Notices sent by first-class U.S. mail shall be deemed provided to the other Party on the third business day after it was sent. If this Agreement specifically provides notices by email and facsimile, such notices will not be deemed provided by any other means.

10. This Agreement is intended by the parties as a final expression of their understanding with respect to the matters contained herein and is a complete and exclusive statement of the terms and conditions thereof.
11. The time for the parties to commence and/or complete their obligations required by this Agreement shall be extended for such period reasonable necessary to take into account any delays caused by riots, insurrections, martial law, civil commotion, war, flood, earthquakes or other acts of God.
12. Each party to this Agreement agrees to do all things that may be necessary, including without limitation, the execution of all documents which may be required hereunder, in order to implement and effectuate this Agreement.
13. The parties acknowledge that each party and its attorneys have reviewed, negotiated and revised this Agreement; and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in

the interpretation of this Agreement or any document executed and delivered by any party in connection with the transactions contemplated by this Agreement.

14. Unless this Agreement (or other applicable law) specifically requires an action by the County Board of Supervisors, all County actions under this Agreement are delegated to the County Director of Public Works (or the Director's designee). Unless this Agreement (or other applicable law) specifically requires an action by the District's Board, all District actions under this Agreement are delegated to the District's General Manager (or the General manager's designee).

15. This Agreement is effective as of the date it is fully executed by the Parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year set forth below.

Oceano Community Services District

By: _____ Date: _____

ATTEST:

By: _____ Date: _____
Clerk of the District

COUNTY OF SAN LUIS OBISPO

By: _____ Date: _____
Chairperson of the Board of Supervisors
County of San Luis Obispo
State of California

ATTEST:

By: _____ Date: _____
County Clerk and Ex-Officio Clerk
Of the Board of Supervisors
County of San Luis Obispo
State of California

APPROVED AS TO FORM AND LEGAL EFFECT

RITA NEAL
COUNTY COUNSEL

By: _____
Deputy County Counsel

Date: _____

By: _____
District Counsel

Date: _____

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Exhibit A to Reimbursement Agreement

Other District Utilities

1. Paso Robles Street: relocate the waterline at project station 10+65; 15' right as shown on Sheet 8 of the project plans.
2. State Route 1: relocate the waterline at project station 10+90 as shown on Sheet 8 of the project plans.
3. Railroad Street: relocate the sewer line at project station 13+55 as shown on Sheet 12 of the project plans. Atlas information is different from pothole information obtained along the sewer line.
4. 15th Street: relocate the waterline at project station 13+80 as shown on Sheet 10 of the project plans.
5. 15th Street at Paso Robles Street: relocate the waterline at project station 10+15 as shown on Sheet 11 of the project plans.
6. Relocate any surface facilities or markers not yet identified to ensure 10-foot clearance from the edges of the proposed storm drain line and any appurtenances thereto.
7. Adjust to finished grade any valve or vault covers not yet identified.
8. Railroad Street: relocate waterline at station 13+45 as marked on Sheet 12 of plans.

5/24/18

UTILITY RELOCATION AGREEMENT

Oceano Drainage Improvement Project Oceano, California

THIS UTILITY RELOCATION AGREEMENT ("Agreement") is made by and between the OCEANO COMMUNITY SERVICES DISTRICT, a community services district, hereinafter referred to as "District," and the COUNTY OF SAN LUIS OBISPO, a political subdivision of the State of California, hereinafter referred to as "County." (Hereafter, the District and the County may also be referred to as the "Parties.")

WITNESSETH:

WHEREAS, the County is preparing to install storm drain improvements associated with the Oceano Drainage Improvement Project (WBS 300465) in Oceano, California (hereinafter the "Project"); and

WHEREAS, the plans, specifications, and estimates (PS&E) for the construction of the Project shall hereinafter be referred to as the "Project Plans"; and

WHEREAS, the County has provided the District a copy of the Project Plans; dated September 5, 2016; and

NOVEMBER 13, 2017

WHEREAS, the area within ten (10) feet of any digging or excavation work contemplated by the Project Plans shall hereinafter be referred to as the "Conflict Area;" and

WHEREAS, the District's water and sewer pipelines and related facilities (hereinafter "District Utility Lines") that are within the Conflict Area need to be relocated; and

WHEREAS, the Project Plans show approximately sixty (60) linear feet of District Utility Lines located within the Conflict Area for work shown along Dolphin Ave. (hereinafter the "Dolphin Avenue Facilities"); and

WHEREAS, District Utility Lines located within the Conflict Area for work on any other portion of the Project (i.e., any work other than the Dolphin Ave. work) shall hereinafter be referred to as the "Other District Facilities;" and

WHEREAS, the Other District Facilities include the District Utility Lines located within the Project areas described in the attached Exhibit "A" (which constitute approximately four hundred (400) linear feet of District Utility Lines); and

WHEREAS, the District hereby represents that it is not aware of any other District Utility Lines that would constitute Other District Facilities other than those located within the Project areas described in the attached Exhibit A; and

WHEREAS, the Parties desire to work together to coordinate the relocation work with the Project's construction contract (hereafter, "Construction Contract") pursuant to the terms of the Agreement; and

WHEREAS, the Parties acknowledge that the Project's Construction Contract will be performed in highways and funded with federal funds; and

WHEREAS, it is understood that said highway is a Federal aid highway and accordingly, 23 CFR, Chapter 1, Part 645 is hereby incorporated into this Agreement. In addition, the provisions of 23 CFR 635.410, Buy America, are also incorporated into this Agreement. The Buy America requirements are further specified in Moving Ahead for Progress in the 21st Century (MAP-21), section 1518; 23 CFR 635.410 requires that all manufacturing processes have occurred in the United States for steel and iron products (including the application of coatings) installed on a project receiving Federal funding; and

WHEREAS, the Parties understand and acknowledge that this Project is subject to the requirements of the Buy America law (23 U.S.C., Section 313) and applicable regulations, including 23 CFR 635.410 and FHWA guidance. The County hereby certifies that in the performance of this Agreement, for products where Buy America requirements apply, it shall use only such products for which it has received a certification from its supplier, or provider of construction services that procures the product certifying Buy America compliance. This does not include products for which waivers have been granted under 23 CFR 635.410 or other applicable provisions or excluded material cited in the Department's guidelines for the implementation of Buy America requirements for utility relocations issued on December 3, 2013.

NOW, THEREFORE, the Parties hereto agree as follows:

A. Recitals

1. The above recitals are incorporated herein by reference as though fully set forth herein.

B. Allocation of Costs

1. "Relocation Work" shall mean all design, construction, inspection, and Project administration work relating to the relocation of any District Utility Lines within the Conflict Area pursuant to the Project's Construction Contract.
2. Except as otherwise expressly provided for in this Agreement, the District shall be responsible for all reasonable costs of the Relocation Work associated with the Other District Facilities.
3. Except as otherwise expressly provided for in this Agreement, the County shall be responsible for all reasonable costs of the Relocation Work associated with the Dolphin Avenue Facilities.

4. The Parties acknowledge that, to the extent the construction of the relocation of any District Utility Lines is performed as part of the Project's Construction Contract, the construction work shall be performed by the independent contractor (hereafter "Contractor") that is awarded said Construction Contract based upon the lowest responsive bid on the base contract under Public Contract Code Section 20103.8(a). The Parties agree that, as between the District and the County, the Contractor's bid price for any additive bid item regarding the relocation of Other District Facilities shall be deemed reasonable subject to the terms of this Agreement.
5. The Parties further acknowledge that neither the County nor the District guarantees the performance of the Contractor, and neither Party insures or indemnifies the other Party for any breaches of the Construction Contract by the Contractor. Except as otherwise expressly provided for in this Agreement, neither the County nor the District are responsible for any costs or damages incurred by the other Party arising from a breach of the Construction Contract by the Contractor.

C. Preconstruction Work

1. The parties acknowledge that the County shall not be responsible for the design of any Relocation Work. As the owner of the District Utility Lines, the District shall be solely responsible for preparation of all necessary plans, specifications, and estimates (PS&E) for the relocation of any District Utility Lines.
2. In order to facilitate the timely completion of the Project, the County has retained a design engineer to prepare plans, specifications, and estimates (PS&E) for the relocation of the Dolphin Avenue Facilities, which have been included in the Project Plans. The portions of the Project Plans regarding the relocation of the Dolphin Avenue Facilities have already been reviewed and approved by the District's retained engineer, and the District hereby approves those portions of the Project Plans regarding the relocation of the Dolphin Avenue Facilities.
3. The District has provided the County the District's final PS&E for the construction of the relocation of the Other District Facilities. Said PS&E are dated September 7, 2016, and were prepared by the District's retained engineer. Pursuant to the latest approved County construction standards, any above grade facilities included in said PS&E shall ensure 10-foot clearance and any affected valves or covers shall be adjusted to finish grade. The District shall be responsible for ensuring that said PS&E are in compliance with any applicable laws and regulations, including any State Health Department utility separation requirements.
4. The District is responsible for the accuracy and completeness of all documents and information submitted to the County relating to the design, bidding, and/or construction of the relocation of any District Utility Lines. The County assumes no responsibility for the accuracy or completeness of any documents or information submitted on behalf of the District relating to the design, bidding,

and construction of Relocation Work. The District shall defend, indemnify and hold harmless the County, its officers, agents, and employees from any and all claims, demands, damages, costs, expenses, judgments or liability (hereafter "Claims") arising from any assertions regarding the inaccuracy or incompleteness of any documents and information submitted to the County relating to the design, bidding, and/or construction of the Relocation Work, including but not limited to any Claims by the construction Contractor that said inaccuracy or incompleteness caused the Contractor to incur delays, additional costs or monetary damages.

5. The County agrees that it will satisfy all preconstruction environmental planning requirements of the Project under the California Environmental Quality Act, National Environmental Policy Act, and related environmental regulations with respect to any Relocation Work performed under the County's Construction Contract. However, the District shall remain responsible for all reasonable costs relating to any construction work addressing and/or mitigating any environmental or related matters associated with any Relocation Work regarding the Other District Facilities. (For example, if any Native American artifacts or remains are located in any areas where said Relocation Work is to be performed, the District shall remain responsible for all reasonable costs incurred in addressing and/or mitigating said matters, regardless of whether or not said Native American artifacts or remains were addressed in any preconstruction environmental planning documents.)

D. Required Deposit of Funds by District

1. The District shall pay the County an initial deposit of \$109,868.00 for the Relocation Work relating to the Other District Facilities within seven (7) days of receiving a written demand therefor from the County Public Works Dept. If said deposit is not received by County by said date, the Relocation Work relating to the Other District Facilities will not be part of the Project and the District shall independently relocate the Other District Facilities at its own expense no later than **May 31, 2017**. (Hereafter, the term "Deposit Amount" shall refer to the amount of said initial deposit, plus any subsequent deposits and less any deposit refunds made under this Agreement.)

2.

DECEMBER 31, 2018

If the District does pay the County the initial Deposit Amount of \$109,868.00 within seven (7) days of receiving a written demand therefor from the County Public Works Dept., the District's PS&E for the construction of the relocation of the Other District Facilities shall be incorporated into the Project Plans for the purpose of including the relocation of the Other District Facilities as an additive bid item when the Construction Contract for the County's Project is advertised for bids pursuant to Public Contract Code Section 20103.8(a). (If the County elects to advertise the Construction Contract for bids before said seven (7) day period expires, and said deposit is not received within said seven (7) day period, the County will issue an addendum to the Construction Contract deleting the inclusion of the relocation of the Other District Facilities as an additive bid item, the Relocation Work relating to the Other District

Facilities will not be part of the Project, and the District shall independently relocate the Other District Facilities at its own expense no later than **May 31, 2017.**) **DECEMBER 31, 2018**

E. Award of County Project Construction Contract

1. The below subsections of this Section E are applicable only if the relocation of the Other District Facilities is included as an additive bid item in the Construction Contract for the County's Project pursuant to this Agreement.
2. If the relocation of the Other District Facilities is included as an additive bid item pursuant to this Agreement, the lowest bid shall be the lowest responsive bid price on the base contract for the Project without consideration of the bid prices on any additive or deductive items included in the County's bid solicitation pursuant to subdivision (a) of Public Contract Code Section 20103.8. In other words, any amount(s) bid as the bid price for the additive bid item for constructing the relocation of the Other District Facilities shall be irrelevant to the County's determination of the lowest responsive bid.
3. After the bids are opened, the County will provide the District with written notice of which bid has been determined to be the lowest responsive bid by the County's Public Works Department pursuant to the criteria set forth in subdivision (a) of Public Contract Code Section 20103.8. (Said written notice by the County shall hereafter be referred to as the "Low Bid Notice.") The County will try to send out the Low Bid Notice within five business days of the bid opening date, but the notice may be delayed if any bidder(s) submit a bid protest (or to allow the time for submitting a protest to lapse). If the District has any objection to the County's determination of the lowest responsive bid, the District's sole remedy is to timely provide the County with written notice that the District is rejecting having the relocation of the Other District Facilities performed as part of the Project's Construction Contract as set forth below. The District hereby waives any right(s) it may have to protest or challenge in any forum (including any administrative procedures of the County or judicial proceedings of the courts) the County's determination of the lowest responsive bid. The District further waives any claims for damages against the County arising from any alleged erroneous determination by the County of the lowest responsive bid.
4. The District shall have seven (7) days from the date the County provided the Low Bid Notice to the District to provide the County written notice of the District's decision to reject having the relocation of the Other District Facilities performed as part of the Project's Construction Contract. If the County does not receive such written notice of rejection within seven (7) days of the Low Bid Notice, and the District timely pays any supplemental deposit amounts required in Section E.6 below, then (a) the District shall be deemed to have approved the additive bid amount for the relocation of the Other District Facilities submitted by the lowest responsive bid (as determined by the County), (b) the County shall accept said additive bid item, and (c) said relocation of the Other District Facilities shall be performed as part of the Project's Construction Contract. If the District does provide such written notice

of rejection within seven (7) days after date the County provided the Low Bid Notice to the District, or fails to timely pay any supplemental deposit amounts required in Section E.6. below, this shall result in the following: (a) the Deposit Amount shall be promptly returned to the District (less any reasonable costs incurred by the County for any Relocation Work regarding the Other District Facilities); (b) the County will not include the additive bid item as part of the Project Construction Contract; and (c) the District shall independently relocate the Other District Facilities at its own expense no later than **May 31, 2017**, or as otherwise agreed in a separate written agreement signed by the District's General Manager and the County Director of Public Works. *DECEMBER 31, 2018*

5. In the event the County's Public Works Department ever later sends the District a subsequent Low Bid Notice as a result of a bid protest or any other reason whatsoever, the last Low Bid Notice provided to the District shall be considered the only Low Bid Notice for purposes of this Section E, any prior versions of the Low Bid Notice shall be deemed null and void, and all District deadlines identified in this Section E shall be reset based upon the last Low Bid Notice.
6. If the bid amount for the additive bid item for the Other District Facilities on the lowest responsive bid (as determined by the County) is greater than \$99,880.00, the District must pay the supplemental deposit described in this paragraph in order for the County to be obliged to accept that additive bid. If the bid amount for the additive bid item for the Other District Facilities on the lowest responsive bid (as determined by the County) is greater than \$99,880.00, the District must pay the County a supplemental deposit in an amount equal to 110% of the amount in excess of \$99,880.00 within fourteen (14) calendar days of the date the County provided the Low Bid Notice to the District. If said supplemental deposit is not received by County by that date, the relocation of the Other District Facilities will not be part of the Project and the District shall independently relocate the Other District Facilities at its own expense no later than **May 31, 2017**. The District's obligation to pay a supplemental deposit under this paragraph shall not be conditioned upon a written request by the County, but shall automatically arise from the date the County provided a Low Bid Notice to the District that indicated that the bid price on the additive bid item for the Other District Facilities on the lowest responsive bid is greater than \$99,880.00. *DECEMBER 31, 2018*
7. Notwithstanding the foregoing, the County reserves its right to reject all bids for the Project (including the Relocation Work), and to not award any Construction Contract at all. If the County does exercise this right, each Party shall be responsible for bearing its own costs, expenses, and damages relating to this Agreement.
8. If the District does independently relocate the Other District Facilities, the District shall comply with all applicable laws and regulations, including the obligation to obtain an encroachment permit from the County for any relocation work within any County right-of-way.

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F. Adjustments To Deposit Amount

1. In the event the Deposit Amount ever falls below 110% of the County's Third Party Costs ("County 3P Costs") relating to the Other District Facilities, the County shall have the right to request in writing that the District pay an additional deposit to the County in an amount that would make the Deposit Amount equal to 110% of said County 3P Costs. (For purposes of this Agreement, "County 3P Costs" shall refer to the Contractor's total bid price for the additive bid item for the relocation of the Other District Facilities, plus/minus any increases/decreases in the contract price for said work under the Construction Contract per change orders executed by the County in a manner consistent with this Agreement, plus any reasonable costs the County pays an outside consultant for any services relating to said Relocation Work). Within 10 days of being provided such written request from the County, the District shall pay to the County an amount that would make the District's Deposit Amount equal to 110% of said 3P Costs. If the County does not receive a District payment within said time period in an amount sufficient to make the Deposit Amount equal to at least 110% of said County 3P Costs, the County shall be entitled to recover interest from the District on the amount the District failed to so timely pay at the rate of 2% per month.
2. In the event the Deposit Amount ever exceeds 110% of the County 3P Costs for the Relocation Work relating to the Other District Facilities, the District shall have the right to request in writing a refund of the amount by which the Deposit Amount exceeds 110% of said County 3P Costs. Within 10 days of being provided such written request from the District, the County shall refund to the District an amount that would make the District's Deposit Amount equal to 110% of said County 3P Costs. If the District does not receive a refund payment from the County within said time period in an amount sufficient to make the Deposit Amount equal to no more than 110% of said County 3P Costs, the District shall be entitled to recover interest from the County on the amount the District failed to so timely pay at the rate of 2% per month.

G. Construction of Relocation Work

1. The parties acknowledge that the County shall not be responsible for inspecting any work under the Construction Contract relating to the relocation of any District Utility Lines, including but not limited to, any testing of any District Utility Lines relocated pursuant to the Construction Contract. As between the District and the County, the District shall be solely responsible for any and all such inspections.
2. The County will forward to the District any Request for Information ("RFI") it receives from the Contractor pertaining to the construction of the relocation of any District Utility Lines, and the District shall be obliged to provide a timely response to the County regarding the RFI.

3. The District shall provide, in a timely manner, all inspections necessary to verify that any work under the Construction Contract relating to the relocation of any District Utility Lines is constructed in conformance with the Construction Contract. The District shall coordinate any such inspections with the Contractor, and shall have access to the job site to inspect the construction and testing of any such work.
4. The District acknowledges that the Contractor is responsible for the safety of the job site. The District shall hold the County harmless of any claim arising from any injury to District property or personnel which may occur on the job site that is not caused by an act of negligence of the County, a County employee, or an agent of the County. Similarly, if an independent consultant or contractor of the District suffers any injury to person or property while on the job site, the District shall defend and indemnify the County from any and all such claims related thereto unless an act of negligence of the County, a County employee, or an agent of the County caused the injury.
5. The District shall immediately report to the County any substandard or defective work or materials discovered by the District relating to the relocation of any District Utility Lines that is not in compliance with the Construction Contract. If the County receives such a timely report from the District, the County shall direct the Contractor to repair or replace any such materials or work which the County agrees is substandard or defective. The Parties acknowledge that no inspection performed by the District under this Agreement shall relieve the Contractor of its obligation to perform any work in accordance with the Construction Contract. The District acknowledges that the County's sole and exclusive obligations with respect to any substandard or defective work or materials are set forth in this Agreement. In the event the District fails to immediately report any substandard or defective work or materials to the County, or later discovers any substandard or defective work or materials, the District shall have no claims against the County for any District damages relating to any such substandard or defective work or materials.
6. Prior to making any payment to the Contractor for any work under the Construction Contract relating to the relocation of any District Utility Lines, the County shall provide written notice to the District regarding the proposed payment amount for work relating to the relocation of any District Utility Lines. Within five (5) days of being provided said notice, the District shall notify the County in writing of any reasonable objections it has to the proposed payment amount with sufficient particularity so that the Contractor and/or the County can take whatever appropriate actions may be necessary to address the District's objection(s). The District will be deemed to have approved any payment items which are not so objected to in writing within said five (5) day period. In the event the District provides a timely written objection to any payment items, and a payment to the Contractor is denied, delayed or reduced by the County in response to a District objection, the District shall hereby defend, indemnify and hold harmless the County from any and all liability, damages, claims, demands, and costs (including costs of defense and attorney fees) relating to, or arising from, any claims by the Contractor that said denial, delay or reduction in payment was improper or unlawful. Although the County reserves the right to disregard

any objection it receives from the District that the County deems to be unreasonable, the District's above obligation to defend, indemnify and hold harmless the County shall apply regardless of the reasonableness of the District's objection.

7. Prior to giving its final approval of any proposed change order for any work under the Construction Contract relating to the relocation of any District Utility Lines, the County shall notify the District in writing by providing the District a copy of the proposed change order. As expeditiously as reasonably possible, and no later than 48 hours of being provided said notice by email and facsimile, the District shall notify the County in writing (by email and facsimile) of any reasonable objections it has to the proposed change order with sufficient particularity so that the Contractor and/or the County can take whatever appropriate actions may be necessary to address the District's objection(s). It is understood and agreed by the Parties that any District approval regarding proposed change orders to the Dolphin Avenue Facilities shall be only in regards to the Relocation Work and not as to cost of the change in work, as any such change in cost shall be paid by the County pursuant to this Agreement. The District will be deemed to have approved any proposed change orders which are not so timely objected to in writing. In the event the District provides a timely written objection to any proposed change order, and the proposed change order is denied, delayed or reduced by the County in response to a District objection, the District shall hereby defend, indemnify and hold harmless the County from any and all liability, damages, claims, demands, and costs (including costs of defense and attorney fees) relating to, or arising from, any claims by the Contractor that said denial, delay or reduction was improper or unlawful. Although the County reserves the right to disregard any objection it receives from the District that the County deems to be unreasonable, the District's above obligation to defend, indemnify and hold harmless the County shall apply regardless of the reasonableness of the District's objection.
8. Notwithstanding the foregoing, the Parties recognize that exigent circumstances may arise at the job site where it would be impractical for the County to provide written notice to the District before the County ordered the Contractor to perform work relating to the relocation of District Utility Lines that is different than that set forth in the Construction Contract. Under such exigent circumstances, the County is not obliged to providing the District with any written notice before ordering the Contractor to perform the changed work. To the extent it is practical, the County shall try to consult with the District under such circumstances.
9. The construction of the relocation of any District Utility Lines performed under the Construction Contract shall be deemed completed on the earliest "completion" date under Public Contract Code Section 7107(c)). Upon such completion date, the District shall automatically assume full, complete, and sole ownership and control over the District Utility Lines installed as part of the Construction Contract, and shall be solely responsible for the operation and maintenance of said facilities. The County shall not be responsible for any costs incurred for any Relocation Work on any District Utility Lines after said

completion date, unless said costs are incurred as a result of a breach of an express obligation of the County provided for in this Agreement.

10. The District's failure to provide the County a timely written objection to a proposed payment to the Contractor under Section G.6. above shall constitute an acknowledgement by the District that it is not aware of any substandard or defective work or materials regarding any of the Relocation Work relating to the proposed payment. Prior to making a final payment to the Contractor, the County reserves the right to require that the District provide the County a list of any and all written objections it has provided the County pursuant to Sections G.5. and G.6. above that the District does not believe have been properly resolved. The District shall provide the County a written response within 5 (five) days of being provided a written notice by the County that the County is exercising its rights under this subsection. The District's written response shall either list and describe any such objections, or simply state that no such objections exist. If the District does not respond within said 5 (five) day period, the District shall be deemed to have acknowledged that no such objections exist.
11. The County's Construction Contract shall require that the District, its directors, officers, and employees be named as additional insured's for the Relocation Work under the general liability and automobile insurance policies of the construction Contractor.
12. The County's Construction Contract shall identify the District as an expressed third-party beneficiary of any and all terms, provisions, plans, specifications and drawings in the Construction Contract relating to any work and materials regarding any District Utility Lines and the District shall have all rights and remedies against the Contractor for latent and other defects.
13. The Construction Contract shall require the Contractor to defend, indemnify, and save harmless the District, its directors, officers, and employees in the same manner as the County under the Construction Contract.
14. Upon completion of the Project, the District will apply for an encroachment permit from County for any District Utility Lines within the County right of way. The District will be responsible for all general provisions of the encroachment permit, and the County agrees to issue the District said encroachment permit.

H. District Reimbursement of County Costs

1. The District shall reimburse the County for all reasonable costs incurred by the County relating to the the Relocation Work associated with the Other District Facilities including but not limited to (a) any Relocation Work relating to change orders approved by the County in a manner consistent with the terms of this Agreement, and (b) any amounts the County deems reasonable to pay the Contractor to settle any claims made by the Contractor regarding work under the Construction Contract relating to the relocation of any Other District Facilities.

2. The Parties agree that the portion of the County's internal costs (i.e. County Staff time) for Project administration work attributable to the Relocation Work (including, but not limited to costs relating to reviewing and assembling the bid package, advertising and evaluating bids, award of contract, pre-construction environmental planning and compliance, processing payments to the Contractor, and other Construction Contract administration) shall be calculated as 10 percent of the construction cost of the relocation of the Other District Facilities. The District shall reimburse the County for all of the County's 3P Costs (as defined in Section F.1. above).
3. In the event any reimbursable costs of the County exceed the Deposit Amount, the County shall provide to the District an invoice for said costs relating to the Relocation Work. The District shall remit payment to the County for each such invoice so that payment is received by the County within 20 days of the District's receipt of the invoice. The District shall owe the County interest on late payments in accordance with Public Contract Code Section 20104.50 (just as if the District was the "local agency" and the County was the "Contractor" under that statute).

I. General Provisions

1. Time is of the essence. If the District fails to act in a timely manner, and said failure causes the County to incur additional cost under the Construction Contract, the District shall reimburse the County for any and all such costs. Unless otherwise specified, whenever the term "day" or "days" is used herein, it shall mean calendar days.
2. The County reserves the right to not proceed with the Project, or any portion thereof, for any reason. In the event the County exercises such right in writing, no Relocation Work shall be required under this Agreement, and the District shall be obliged to reimburse the County for all costs incurred by the County relating to the Relocation Work up to the date the County provides such written notice.
3. The District shall defend, indemnify and save harmless the County, its officers, agents, and employees from any and all claims, demands, damages, costs, expenses, judgments or liability arising from any act or omission of the District that is negligent or otherwise in breach of this Agreement.
4. The County shall defend, indemnify and save harmless the District, its officers, agents, and employees from any and all claims, demands, damages, costs, expenses, judgments or liability arising from any act or omission of the County that is negligent or otherwise in breach of this Agreement.
5. This Agreement shall not be changed or modified except upon written consent of the parties hereto.
6. Non-enforcement of any term, covenant or provision of the Agreement by either party shall not be considered a waiver by that party of rights under that

Agreement or a waiver of any breach of the Agreement. To the extent any conduct of a party is construed as a waiver, the party's waiver of the breach of any one term, covenant or provision of this Agreement shall not be a waiver or a subsequent breach of the same term, covenant or provision of this Agreement or of the breach of any other term, covenant or provision of this Agreement.

7. This Agreement has been executed and delivered in, and shall be interpreted, construed, and enforced pursuant to and in accordance with the laws of the State of California. All duties and obligations of the parties created hereunder are performable in the County of San Luis Obispo; and such County shall be that venue for any action or proceeding that may be brought or arise out of, in connection with, or by reason of, this Agreement. If any action or other proceeding is filed to enforce or interpret this Agreement or any provision herein, the prevailing party shall be entitled to recover from the non-prevailing party, in addition to all other relief, its reasonable attorneys' and expert witnesses' fees, expenses and costs incurred in preparation for such action or proceeding, in pursuing such action or proceeding, on appeal from any such action or proceeding, and in collecting any monetary award resulting from such action or proceeding.
8. If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.
9. Unless otherwise provided, all notices herein required shall be in writing, shall be delivered either by email or United States first class mail, postage prepaid. Notices required to be given to County shall be addressed as follows:

First Class Mail Delivery
Department of Public Works
Room 207 County Government Center
San Luis Obispo, CA 93408
Attn: Dave Flynn, Deputy Director

-Or-

Email Delivery
dflynn@co.slo.ca.us
pwd@co.slo.ca.us

-Or-

Facsimile (Fax)
805-781-1229

Notices required to be given to District shall be addressed as follows:

First Class Mail Delivery
Oceano Community Services District
1655 Front Street
Oceano, CA 93445
Attn: Paavo Ogren, General Manager

-Or-

Email Delivery
paavo@oceanocsd.org
office@oceanocsd.org

-Or-

Facsimile (Fax)
805-481-6836

Notices sent by email or facsimile (fax) shall be deemed provided to, and received by, the other Party when the the email or facsimile (fax) was properly sent. Notices sent by first-class U.S. mail shall be deemed provided to the other Party on the third business day after it was sent. If this Agreement specifically provides notice by email and facsimile, such notices will not be deemed provided by any other means.

10. This Agreement is intended by the parties as a final expression of their understanding with respect to the matters contained herein and is a complete and exclusive statement of the terms and conditions thereof.
11. The time for the parties to commence and/or complete their obligations required by this Agreement shall be extended for such period reasonably necessary to take into account any delays caused by riots, insurrections, martial law, civil commotion, war, flood, earthquakes or other acts of God.
12. Each party to this Agreement agrees to do all things that may be necessary, including without limitation, the execution of all documents which may be required hereunder, in order to implement and effectuate this Agreement.
13. The parties acknowledge that each party and its attorneys have reviewed, negotiated and revised this Agreement; and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any document executed and delivered by any party in connection with the transactions contemplated by this Agreement.
14. Unless this Agreement (or other applicable law) specifically requires an action by the County Board of Supervisors, all County actions under this Agreement are delegated to the County Director of Public Works (or the Director's designee). Unless this Agreement (or other applicable law) specifically requires an action by the District's Board, all District actions under this Agreement are delegated to the District's General Manager (or the General Manager's designee).
15. This Agreement is effective as of the date it is fully executed by the Parties.

|

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year set forth below.

Oceano Community Services District

BY: Karen M. White DATE: 11/30/2017

- BY June/July 2018

ATTEST:
BY: [Signature] DATE: 1/3/2017
Clerk of the District

COUNTY OF SAN LUIS OBISPO

BY: [Signature] DATE: February 28, 2017
Chairperson of the Board of Supervisors
County of San Luis Obispo
State of California

- BY SEPT 2018

ATTEST:
BY: TOMMY GONG DATE: February 28, 2017
County Clerk and Ex-Officio Clerk
of the Board of Supervisors
County of San Luis Obispo
State of California

By: [Signature]
Deputy Clerk

APPROVED AS TO FORM AND LEGAL EFFECT

RITA NEAL
COUNTY COUNSEL

BY: [Signature] DATE: 2/1/17
Deputy County Counsel

BY: [Signature] DATE: 1/31/17
District Counsel

- BY July 2018

Exhibit A to Reimbursement Agreement

Other District Utilities

1. Paso Robles Street: relocate the waterline at project station 10+65; 15' right as shown on Sheet 8 of the project plans.
2. State Route 1: relocate the waterline at project station 10+90 as shown on Sheet 8 of the project plans.
3. Railroad Street: relocate the sewer line at project station 13+55 as shown on Sheet 12 of the project plans. Atlas information is different from pothole information obtained along the sewer line.
4. 15th Street: relocate the waterline at project station 13+80 as shown on Sheet 10 of the project plans.
5. 15th Street at Paso Robles Street: relocate the waterline at project station 10+15 as shown on Sheet 11 of the project plans.
6. Relocate any surface facilities or markers not yet identified to ensure 10-foot clearance from the edges of the proposed storm drain line and any appurtenances thereto.
7. Adjust to finished grade any valve or vault covers not yet identified.
8. Railroad Street: relocate waterline at station 13+45 as marked on Sheet 12 of plans

EXHIBIT A



Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

Date: July 25, 2018

To: Board of Directors

From: Paavo Ogren, General Manager

Subject: Agenda Item # 9(D): Consideration of a recommendation to approve a professional services agreement with GSI Water Solutions Inc. to prepare the 2018 Annual Report for the Northern Cities Management Area in the amount of \$37,591 plus contingencies of \$3,370 for a total contract amount of \$40,961.

Recommendation

It is recommended that your Board approve the attached professional services agreement with GSI Water Solutions Inc. to prepare the 2018 Annual Report for the Northern Cities Management Area in the amount of \$37,591 plus contingencies of \$3,370 for a total contract amount of \$40,961.

Discussion

The preparation of an annual report for the Northern Cities Management Area (NCMA) is required by the Stipulations and Judgment for the Santa Maria Groundwater Basin. The proposal with GSI Water Solutions Inc. (GSI) is consistent with professional service contracts approved for preparation of the 2018 NCMA annual report. GSI was selected to prepare the annual reports as a result of the request for proposals (rfp), which covered annual reports for a total five year period (through the 2020 Annual Report).

The following is a summary of work and reporting tasks:

<p><u>Work Efforts, including:</u></p> <ul style="list-style-type: none">•Groundwater Monitoring•Groundwater Quality Testing•Groundwater Data Analysis•Groundwater Reporting•Hydrological Data Compilation•Water Demand and Availability Analysis•Project Meetings•Coordination with NMMA on groundwater contours	<p><u>Report Preparation, including:</u></p> <ul style="list-style-type: none">• Summary of 2018 Groundwater Monitoring• Changes in Groundwater Supplies• Threats to the Groundwater Basin• Tabulation of NCMA Water Use• Imported Water Availability and Use• Developed Water Availability and Use• Groundwater Use• SGMA Reporting
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Other Agency Involvement

The Cities of Arroyo Grande, Grover Beach, and Pismo Beach are the other agencies in the Northern Cities Management Area responsible for the preparation of the annual report. Staff of all of the NCMA agencies concur on the recommendation to approve the GSI proposal.

Other Financial Considerations

The proposed cost of \$179,003 is approximately 5% higher than the cost of preparing the 2017 annual report plus contingencies of \$16,049 (9%). The District's share of the cost is \$40,961. The District's approved budget includes a line-item cost of \$37,500. The difference of \$3,461 is not expected to require a budget adjustment since total Water Fund expenditures are anticipated to be within amounts budgeted.

The allocation of costs between NCMA agencies is based on groundwater allocations.

Results

Groundwater monitoring, analysis, and reporting are important efforts that provide information necessary for the long-term appropriate management of groundwater. It will lead to improved reliability of drinking water supplies, which promotes health and safety and livable communities. Cooperating with other local agencies promotes well governed communities.

Attachments:

- ✓ GSI Professional Services Agreement with Proposal

**AGREEMENT FOR CONSULTANT SERVICES,
PREPARATION OF THE 2018 ANNUAL REPORT FOR THE
NORTHERN CITIES MANAGEMENT AREA
GSI WATER SOLUTIONS, INC.**

THIS AGREEMENT made and entered into on _____, 2018 by and between the Oceano Community Services District, a special district, collectively hereinafter referred to as DISTRICT and GROUNDWATER SOLUTIONS, INC., dba GSI WATER SOLUTIONS, INC., hereinafter referred to as CONSULTANT.

RECITALS

The DISTRICT desires to retain said services of the CONSULTANT on an independent Contractor basis for preparation of the 2018 Annual Report for the Northern Cities Management Area, more specifically identified in the Proposal, Scope of Work and Fee Schedule, jointly attached as Exhibit A to this Agreement, herein referred to as the PROJECT, subject to the terms and conditions as hereinafter set forth.

Therefore, in consideration of the mutual agreements contained herein, the DISTRICT and the CONSULTANT agree as follows:

ARTICLE I. SCOPE OF SERVICES

The CONSULTANT shall complete said PROJECT as specified in Exhibit A, and in accordance with local, State and Federal laws.

ARTICLE II. AUTHORIZATION AND COMMENCEMENT OF PERFORMANCE

The services of the CONSULTANT are authorized by the DISTRICT.

ARTICLE III. COMPENSATION AND PAYMENT

The compensation for the services rendered by the CONSULTANT under this Agreement shall be as provided in Exhibit A. Work shall be performed on a base contract, not to exceed basis of \$179,003 in accordance with Exhibit A, with a contingency fee of \$16,049 for a total project fee of \$195,052. The DISTRICT's share, including the contingency fee, will not exceed \$40,961. The DISTRICT is solely responsible for the DISTRICT's share of the total project cost. The DISTRICT shall not be responsible for any other payment to CONSULTANT, including the proportional share of any other participating agency, whether for default, late payment, or any other complication arising from the CONSULTANT's agreements with the other participating agencies.

The CONSULTANT shall invoice the DISTRICT for the District's share on a monthly basis, and the DISTRICT will pay the CONSULTANT on a monthly basis per billings from the CONSULTANT unless otherwise identified in this agreement. The CONSULTANT will submit

invoices monthly or upon completion of a specified scope of service in accordance with the CONSULTANT's standard invoicing practices.

Payment is due upon receipt of the invoice. Payments will be made by either check or electronic transfer to the address specified by the CONSULTANT, and will reference the CONSULTANT's invoice number.

Interest will accrue at the rate of 1% per month of the invoiced amount in excess of 30 days past the invoice date.

In the event of a disputed or contested invoice, only that portion so contested will be withheld from payment, and the undisputed amounts will be paid.

ARTICLE IV. TERM OF AGREEMENT

The term of the agreement is set out in Exhibit A and subject to extension if circumstances necessitate it and Parties agree to it in writing. This Agreement may be terminated by either the DISTRICT or the CONSULTANT with or without any reason, upon giving thirty (30) days written notice to other party. In the event of termination, CONSULTANT shall be paid for work performed to the termination date.

Upon termination, CONSULTANT immediately shall turn over to the District any and all copies of videotapes, studies, sketches, drawings, computations, and other data, whether or not completed, prepared by CONSULTANT, and for which CONSULTANT has received reasonable compensation, or given to CONSULTANT in connection with this Agreement. Such materials shall become the DISTRICT's permanent property, provided, however, CONSULTANT shall not be liable for the DISTRICT's use of incomplete materials or for the DISTRICT's use of complete documents if used for other than the project or scope of services contemplated by this Agreement.

Both parties agree to submit any claims, disputes or controversies arising out of or in relation to the interpretation, application, or enforcement of this Agreement to non-binding mediation pursuant to the Rules for Commercial Mediation of the American Arbitration Association, as a condition precedent to litigation or any other form of dispute resolution.

The prevailing party in any action between the parties to this Agreement brought to enforce the terms of this Agreement or arising out of this Agreement shall recover from the other party its reasonable costs and attorney's fees expended in connection with such an action.

ARTICLE V. INSURANCE

A. The CONSULTANT shall obtain and maintain during the performance of any services under this Agreement the following insurance coverage, issued by a company satisfactory to the DISTRICT.

- 1) Commercial general liability insurance including a contractual liability endorsement in an amount not less than \$1,000,000 combined single limit for bodily injury and property damage for each claimant for general liability, including a non-owned automobile endorsement;

- 2) Errors and omissions insurance to a minimum coverage of \$500,000, with neither the CONSULTANT nor listed sub-consultants having less than \$500,000 individually;
 - 3) Workers' compensation insurance in compliance with the laws of the State of California.
- B. Certificates of insurance evidencing the coverages required by the clauses set forth above shall be filed with the DISTRICT prior to the effective date of this Agreement. This is a condition precedent to the formation of any obligation by the DISTRICT to compensate CONSULTANT under this Agreement.
 - C. All insurance policies required by this section shall not be canceled, limited or non-renewed without first giving 30 days written notice to the DISTRICT.
 - D. The CONSULTANT agrees that the commercial general liability insurance policy shall be endorsed to name the DISTRICT, its Board of Directors, officers and employees as additional insured and to provide that the coverages provided to the DISTRICT shall be primary and not contributing to or in excess of any existing the DISTRICT's insurance coverages.
 - E. All insurance standards applicable to the CONSULTANT shall also be applicable to the CONSULTANT'S subconsultants. The CONSULTANT agrees to maintain appropriate agreements with subconsultants and to provide proper evidence of coverage upon receipt of a written request from the DISTRICT.

ARTICLE VI. INDEPENDENT CONTRACTOR/PERSONAL SERVICE

The CONSULTANT shall perform the services hereunder as an independent contractor and shall not be considered an employee of the DISTRICT for any purposes. The CONSULTANT is not entitled to any District benefits, including PERS, unemployment compensation, health insurance, or any other benefit. Only personnel listed in Exhibit A shall perform services called for under this Agreement and shall not employ or otherwise incur an obligation to pay persons, specialists, experts, or subconsultants for services in connection with the services to be performed under this Agreement without prior written approval of the DISTRICT.

ARTICLE VII. ASSISTANCE BY DISTRICT

Subject to other provisions of this Agreement, the DISTRICT shall provide the CONSULTANT with copies of any specifications, maps, drawings, records, or other documentation, which are required by the CONSULTANT in order to perform the services specified herein. The DISTRICT shall provide all further reasonably necessary information to the CONSULTANT upon the CONSULTANT's request.

ARTICLE VIII. INDEMNIFICATION

CONSULTANT agrees to indemnify and save harmless the DISTRICT and its Board members, officers, employees and agents from:

Third Party Claims. Any and all claims and demands made against the DISTRICT or its Board members, officers, employees or agents by reason of any injury to or death of or damage to any person or entity, of any nature whatsoever, arising out of CONSULTANT's performance of

services under this Agreement however caused, excepting, however, any such claims and demands which are the result of the sole negligence or willful misconduct of the DISTRICT or its Board members, officers, employees or agents;

DISTRICT Property Damage Claims. Any and all damage to or destruction of the property of the DISTRICT, its Board members, offices, employees or agents or used by or in the CONSULTANT's care, custody, or control, arising out of CONSULTANT's performance of services under this Agreement however caused, excepting, however, any such claims and demands which are the result of the sole negligence or willful misconduct of the DISTRICT or its Board members, officers, employees or agents;

CONSULTANT Employee, Subconsultant and Agent Claims. Any and all claims and demands which may be made against the DISTRICT or its Board members, officers, employees or agents by reason of any injury to or death of or damage suffered or sustained by any CONSULTANT employee, subcontractor or agent under this Agreement, arising out of CONSULTANT's performance under this Agreement however caused, excepting, however, any such claims and demands which are the result of the sole negligence or willful misconduct of the DISTRICT or its Board members, officers, employees or agents;

ARTICLE IX. ASSIGNMENT

This Agreement shall not be assigned by either party without the prior written approval of the other.

ARTICLE X. NON-DISCRIMINATION

The CONSULTANT will refrain from discriminatory employment actions or practices on the basis of the race, color, age, sex, sexual orientation, religious creed, national origin, or ancestry of any employee or applicant for employment.

ARTICLE XI. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties hereto relating to the subject matter hereof and supersedes any previous agreements or understandings.

**AGREEMENT FOR CONSULTANT SERVICES,
PREPARATION OF THE 2018 ANNUAL REPORT FOR THE
NORTHERN CITIES MANAGEMENT AREA
GSI WATER SOLUTIONS, INC.**

SIGNATURE PAGE

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement effective as of the day and year first written above.

OCEANO COMMUNITY SERVICES DISTRICT

Board of Directors President

Date

Attest:

General Manager

Date

Approved as to Form:

DISTRICT's Legal Counsel

Date

GSI WATER SOLUTIONS, INC.

Signature

Date

Paul A. Sorensen

Name

Principal Water Resources Consultant

Title



July 5, 2018

Daniel Heimel
Northern Cities Management Area Technical Group
c/o Water Systems Consulting, Inc.
805 Aerovista Lane, Suite 201
San Luis Obispo, CA 93401

Subject: Proposal for Northern Cities Management Area 2018 Annual Monitoring Report

Dear Mr. Heimel,

GSI Water Solutions, Inc. (GSI) is pleased to submit this revised proposal to the Northern Cities Management Area (NCMA) Technical Group (TG) for the preparation of the 2018 Annual Report.

Thorough and accurate quarterly monitoring and annual reporting are essential to meeting the terms of the adjudication of the Santa Maria Groundwater Basin, specifically the 2005 Stipulation requirements. GSI offers the continuity of expertise and personnel to make this happen: The key GSI personnel assigned to this project include **Paul Sorensen** and **Tim Nicely**, who have performed this work on behalf of the NCMA for the past 5 years, as well as GSI's Andy Lapostol, Dave O'Rourke and Nate Page, who have conducted the field monitoring events, worked on the data analysis, and assisted with annual report preparation for the past 2 years. We will again partner with **Sam Schaefer** and GEI Consultants, Inc. (GEI), to ensure continuity with the same comprehensive team. We will again use BC Laboratories, an Environmental Laboratory Accreditation Program (ELAP)-certified analytical testing laboratory, to perform the laboratory water quality analyses.

This proposal focuses on the scope of work needed to complete quarterly monitoring of the NCMA sentry wells and prepare the 2018 Annual Report.

Thank you for the opportunity to continue working with you and the NCMA TG.

Sincerely,
GSI Water Solutions, Inc.

A handwritten signature in black ink that reads "Paul A. Sorensen".

Paul A. Sorensen, PG, CHG, CEG
Principal Hydrogeologist
805.460.4621
psorensen@gsiws.com

Statement of Understanding and Scope of Work

Statement of Understanding

The NCMA is one of three management areas in the adjudicated Santa Maria Groundwater Basin (SMGB). It is subject to several agreements and orders, including a Settlement Agreement (2002), Settlement Stipulation (2005), and Judgment After Trial (2008).

One of the obligations of the 2005 Stipulation requires the NCMA to produce an Annual Report. Per the stipulation, the report must summarize results of the NCMA's groundwater monitoring program, document changes in groundwater supplies, and identify threats to the groundwater resource. The report also must include a tabulation of area-wide water demand by documenting the availability and use of imported water, return flow entitlement and use, availability and use of other developed water, and groundwater extractions.

For the past 5 years, Paul Sorensen and Tim Nicely have assumed the lead roles to carry out the NCMA Annual Report projects, and we propose to continue those roles on behalf of the NCMA TG for the 2018 Annual Report. The continuity of staff will bring a familiarity and efficiency to the process that allows us to continue our established procedures for gathering and managing data, preparing the quarterly monitoring reports and Annual Reports, and providing technical expertise to the TG.

Scope of Work

The following scope of work is based on the requirements in the 2016 Request for Proposals (RFP), as well as our experience preparing the Annual Reports and associated quarterly monitoring reports since 2010. Additionally, we are drawing on our work in other areas of the SMGB and our years of experience conducting similar work for our clients.

Task 1.1: NCMA Groundwater Monitoring and Report Schedule

The current contract for technical services related to the 2017 Annual Report will terminate on August 31, 2018. Assuming a Notice to Proceed (NTP) and authorization of the 2018 Annual Report project will be issued on or about September 4, 2018, we will provide a detailed schedule of all tasks, anticipated meetings, and report preparation efforts within 14 days. We have included a general schedule later in this proposal; a final schedule will be prepared and submitted in mid-September.

Task 1.2: Meetings

The NCMA TG holds monthly meetings to share data and results and foster collaboration. Paul Sorensen, GSI's project manager, will generally participate in the regularly scheduled meetings; Dave O'Rourke and/or Tim Nicely will attend in lieu of Paul if unavoidable conflicts arise. Paul will also participate in the SMGB Management Area Technical Subcommittee Meetings and the NCMA Annual Draft Report Meetings, as well as any other coordination meetings. As needed, Paul will work with the NCMA project manager to prepare agenda items and follow up on action items. Dave, Tim, and Sam Schaefer will participate in various meetings throughout the year, when specifically beneficial to the project.

Task 1.3: NCMA Groundwater Monitoring and Water Quality Sampling

The NCMA is responsible for the collection of groundwater level measurements and water quality information from the NCMA monitoring network. The GSI team will complete four rounds of water level monitoring and water quality testing. The monitoring and testing will occur quarterly (October 2018, January 2019, April 2019, and July 2019) in coordination with the County of San Luis Obispo's semiannual groundwater monitoring cycle and the NCMA municipalities' historical groundwater monitoring schedule. We have conducted this work for the past 8 years and are thoroughly familiar with the process and procedures (and, perhaps more importantly, the potential pitfalls).

During each sampling event, we will collect groundwater depth measurements in accordance with American Society for Testing and Materials (ASTM) Standard D4750-87, and groundwater water quality samples in accordance with ASTM standard D4448-1. We will use a variety of methods including low-flow methods in the case of the Oceano CSD monitoring wells. For each quarterly sampling event, field personnel will:

- Coordinate with BC Laboratories for delivery of sample bottles and arrange for a courier to ensure timely delivery of the samples to the laboratory.
- Collect synoptic field measurements of depth to water (in accordance with ASTM Standard D4750-87) from all 16 wells including:
 - 32S/12E-24B01 through -24B03 (North Beach Campground)
 - 32S/13E-30F01 through -30F03 (Highway 1)
 - 32S/13E-30N01 through -30N03 (Pier Avenue)
 - 12N/23W-36L01 and -36L02 (Oceano Dunes)
 - Four Oceano CSD monitoring wells
 - 12N/35W-32C03 (County Monitoring Well #3)
- Collect representative water samples from each of the 16 monitoring wells at 6 sites for the constituents listed in the RFP.

We will conduct sampling events as we have done previously. The project hydrogeologist will perform the sampling of the 16 wells using a combination of ISCO-type peristaltic pumps and a Grundfos RediFlo2 electric submersible pump as appropriate for each well. Each well will be purged in accordance with ASTM D4448-1 until clear water is produced and field-measured water quality parameters stabilize. Then we will collect samples in containers with appropriate preservatives, place them in iced coolers immediately following collection, and maintain them at the appropriate temperature for transportation to BC Laboratories. We will complete chain-of-custody documentation for all samples.

As part of our standard QA/QC procedures, the project and principal hydrogeologists will review data collected from the field and laboratory reports. We will red-flag and address any data not in compliance with ASTM standards for accuracy or reliability, and collect new data as necessary. We will enter all data that satisfies our QA/QC procedures in the NCMA groundwater database. The data also will be evaluated by the rest of the GSI team (as discussed in Task 1.4) and compiled into a quarterly monitoring report for submittal to the TG.

Sensors that measure pressure (water level), temperature, and electrical conductivity are installed in several wells, including:

- 32S/12E-24B03 (North Beach Campground deep well)
- 32S/13E-30F03 (Highway 1 deep well)
- 32S/13E-30N02 (Pier Avenue deep well)
- 12N/23W-36L01 (Oceano Dunes middle well)
- 12N/23W-36L02 (Oceano Dunes deep well)
- 12N/35W-32C03 (County Monitoring Well #3)

Data from the transducers will be downloaded during quarterly monitoring. The transducers will be calibrated as needed, the data compensated for atmospheric pressure variation, and then referenced to the project elevation model. These data will be subjected to QA/QC procedures, then entered in the NCMA database.

Task 1.4: NCMA Groundwater Data Analysis

GSI team members will follow the same procedures and methodologies for data analysis that have been performed for the past 8 years. We will compile and review all data from quarterly groundwater measurements and laboratory analysis, as well as any applicable data collected by the County of San Luis Obispo. We also will collect and compile any data available from the NCMA agencies related to groundwater levels, well production, and water quality. The data will be evaluated and indications of potential hazards (such as well interference, water quality degradation, and seawater intrusion) will be identified. We will interpret data and will calculate and provide historical context of the Deep Well Index.

We will continue the collaborative efforts with the Nipomo Mesa Management Area (NMMA) TG to use basin-wide water level data to generate hydrographs and contour maps for the Annual Report displaying spring and fall conditions.

Representative plots of historical water quality time-series data for key constituents will be generated at wells with adequate control to show changes over time in mineral concentrations for those constituents, with special attention paid to coastal wells. The water quality data will be compiled, analyzed, and presented in various ways (time concentration plots, trilinear diagrams, and Piper diagrams).

We will summarize all of the data and document the analysis in the quarterly monitoring report sent to the NCMA TG within 5 weeks of the end of each quarterly monitoring event, and all of the data for the calendar year 2018 will be summarized in the Annual Report.

Task 1.5: Hydrologic Data Compilation

Several sets of hydrologic data are essential for preparation of the Annual Report. We will use the methodology that we modified and adopted in 2015, which improved our understanding of and confidence in the rainfall and evapotranspiration data, and which subsequently improved our ability to calculate an agricultural irrigation applied water estimate. Although we have been working on these Annual Reports for many years, we continue to look for ways to improve upon our data sources

and methodology to create better or more efficient analysis. If we identify areas of improvement, we will consult with the NCMA project manager and either incorporate those improvements directly in our work or suggest the changes for subsequent Annual Reports, as appropriate.

Task 1.6: NCMA Water Demand and Availability Analysis

We will prepare a detailed analysis of water production, delivery, and availability within the NCMA. The data collection and analysis methodologies will be sufficient to determine land and water uses in the NCMA, sources of supply to meet those uses, groundwater availability, the amount and disposition of developed water supplies, and the amount and disposition of any other water supply sources within the NCMA. The approach and tabulation of results will be included in the Annual Report.

For preparation of the 2018 Annual Report, we intend to generally follow the established method that we have developed during the past several years for the NCMA monitoring program. In April 2016, however (for the 2015 Annual Report), we modified the approach to calculate applied irrigation for agricultural demand by developing a rigorous model using the Integrated Water Flow Model Demand Calculator (IDC). We believe that this methodology is much more representative of actual conditions because it accounts for specific climate conditions for the given year, soil properties specific to the area of interest, and the resulting spatial variation in evapotranspiration.

The NCMA has three major sources of water supply, which will be discussed and quantified in the 2018 Annual Report:

- **Lopez Reservoir.** All four municipalities in the NCMA receive water from Lopez Reservoir. We will compile data on the volume of the reservoir deliveries for each municipality and enter the data into the NCMA database.
- **State Water Project (SWP).** The City of Pismo Beach and Oceano CSD receive water from the SWP. Data on the volume of water delivered to these municipalities will be compiled in the NCMA database.
- **Groundwater.** NCMA records groundwater pumping data by location and volume. Non-urban domestic and agricultural groundwater pumping is estimated. These data will be compiled in the NCMA database.

Threats to Water Supply

Identified threats to NCMA's water supply include statewide and local drought, potential reduction in amounts or reliability of SWP deliveries, the potential for declining water in Lopez Reservoir caused by drought, and seawater intrusion.

Several factors can affect availability and quality of water supplies. To understand the threats, we will track several factors and incorporate the potential threats, as appropriate:

- Local environmental issues
- Groundwater production and pumping in the NMMA, with resultant implications of subsurface inflow into the NCMA
- Phased importation of supplemental supplies into the NMMA
- Land use changes

Task 1.7: 2018 NCMA Annual Report Preparation

Our first task related to the Annual Report preparation will be to prepare a schedule that details the monitoring events, meetings, report drafts, and final report submittal (as previously described in Task 1.1 of this proposal). This schedule will be submitted to the TG within 14 days of being awarded the contract.

Within 6 weeks of the NTP, we will prepare a draft outline of the 2018 Annual Report and submit it to the NCMA TG and the water rights counsel. As is described in more detail below, we recently modified the report format and outline and, after garnering feedback from the TG, likely will use the general outline and format of the 2017 Annual Report.

Building on our experience during the past 8 years, GSI team members will prepare an Administrative Draft Annual Report for the NCMA TG. The report will be based on data collected and analysis performed as described above, on other data that may become available, and on ongoing discussions with the NCMA TG and the NCMA project manager. The general outline of the Annual Report is expected to be:

- Executive Summary
- Introduction
- Area Description
- Groundwater Conditions
 - Geology and Hydrogeology
 - Groundwater Flow
 - Groundwater Monitoring Network
 - Groundwater Levels
 - Change in Groundwater in Storage
 - Water Quality
- Water Supply and Production/Delivery
 - Water Supply
 - Water Use
- Comparison of Water Supply v. Water Production
- Threats to Water Supply
- Management Activities

As a result of SGMA, a new component that was added, effective with submittal of the 2016 Annual Report, is the requirement to calculate a change in groundwater storage. We will likely follow the same methodology used in the 2016 and 2017 Annual Reports, but as the project progresses, we will assess whether there are any additional data available and whether the calculation methodology can be improved.

We recognize that other related information may be important to the NCMA TG, and we will incorporate additional information as appropriate.

We will send an electronic copy of the Administrative Draft Annual Report to the NCMA municipalities and water rights counsel at least 12 weeks before the submittal date of the final report. All

comments on this administrative draft report will be noted and incorporated into the final Annual Report. In addition, a version with “Track Changes” will be provided to the TG to show the modifications of the Administrative Draft Report to the Draft Report.

GSI will send a draft Annual Report via e-mail to the NCMA TG 6 weeks before the submittal date of the final Annual Report. As with the Administrative Draft Annual Report, we will compile all comments on this draft report and incorporate them into the final Annual Report. In addition, a version with “Track Changes” will be provided to the TG to show the modifications of the Draft Report to the final Annual Report.

Before April 30, 2019, we will deliver an electronic copy of the final 2018 Annual Report to the NCMA TG and the water rights counsel. The water rights counsel then will be responsible for submitting the Annual Report to the Court.

Task 1.8: SGMA Report Preparation and Submittal

New in 2016 was an obligation to submit an online report and attendant data pursuant to the requirements of SGMA. As discussed earlier, the most significant impact that this new requirement has on the normal NCMA reporting process is the need to calculate change in groundwater in storage. Additionally, the deadline for SGMA reporting is April 1 of each year, which is a full month earlier than the deadline to submit the Annual Report. We will take into account the SGMA reporting deadline while compiling and analyzing the Annual Report data. We will be responsible for submitting the data and complying with the SGMA reporting process by March 30, 2019 through the DWR website.

Schedule

Meeting the NCMA’s schedule is a top priority for the GSI team. We have done so for the past 5 years without missing any of the deadlines, and we fully intend to continue that punctuality as we move forward. We will adhere strictly to the schedule outlined in the RFP through close management of the team and communication and coordination with the NCMA project manager, NCMA members, and the County of San Luis Obispo. Should any schedule deviation occur, the GSI team will address it immediately and convey a solution to the NCMA project manager.

A general schedule is outlined on the following page. We will provide a more detailed schedule of all tasks, anticipated meetings, and report preparation efforts within 14 days of the NTP, and we will prepare and submit a detailed report outline within 6 weeks of the NTP.

Event	Milestone/ Work Product	Anticipated Date(s)
Notice to Proceed		09/04/2018
TG Meetings		Monthly, every 2 nd Monday
Submittal to TG Committee	Detailed project schedule	09/18/2018
Submittal to TG Committee	Detailed draft report outline	10/16/2018
Groundwater Monitoring and Sampling Events	Data Collection..... Q4 report.....	10/09-11/2018 11/15/2018
	Data Collection..... Q1 report.....	01/08-10/2019 02/14/2019
	Data Collection..... Q2 report.....	04/09-11/2019 05/16/2019
	Data Collection..... Q3 report.....	07/09-11/2019 08/15/2018
NMMA and SMVWA coordination		TBD
Draft Water Level Contour Maps to TG	April 2018 and October 2018 Water Level Contour Maps	01/04/2019
Administrative Draft Annual Report	Admin Draft Annual Report to TG and water rights counsel	02/05/2019
	Comments back from TG	02/26/2019
Draft Annual Report	Draft Annual Report to TG	03/19/2019
	Comments back from TG	04/02/2019
SGMA Report	Submit online SGMA report to DWR	03/29/2019
Final Annual Report	Final Annual Report submitted to TG and counsel	04/30/2019

Fee Proposal

We will provide the services described above on a time and materials basis, with a **not-to-exceed base project fee of \$179,003**. The 2018 Annual Report project fee includes a nominal (<5%) increase over the 2017 Annual Report project costs to incorporate a 3% GSI fee schedule increase as well as increased water quality laboratory analysis costs and equipment rental costs.

For the 2016 and 2017 Annual Report projects, the NCMA agencies opted to include an 8% - 10% Technical Contingency Fee to the base cost of the project work. For 2018, a Technical Contingency Fee of \$16,049 is suggested (<9% of base project fee), thus the **total project cost, including base project fee of \$179,003 plus Technical Contingency Fee of \$16,049, will not exceed \$195,052**.

The following tables provide a cost breakdown by task, as well as details about associated expenses. Further detail about our proposed fee is available upon request.

Description	Labor Costs		Expenses	Subtotal
	GSI	GEI		
Task 1.1: Groundwater Monitoring and Report Schedule	\$780	-	-	\$780
Task 1.2: Meetings	\$24,270	\$2,970	\$1,136	\$28,376
Task 1.3: Groundwater Monitoring and Water Quality Sampling	\$36,930	-	\$27,287	\$64,217
Task 1.4: Groundwater Data Analysis	\$16,480	-	-	\$16,480
Task 1.5: Hydrologic Data Compilation	\$3,360	\$6,600	-	\$9,960
Task 1.6: Water Demand and Availability Analysis	\$10,400	\$5,500	-	\$15,900
Task 1.7: Annual Report Preparation	\$31,120	\$1,980	-	\$33,100
Task 1.8: SGMA Report Preparation and Submittal	\$10,190	-	-	\$10,190
Subtotal	\$133,530	\$17,050	\$28,423	\$179,003
Technical Contingency Fee				\$16,049
Total Project Cost				\$195,052

Expense Details Per Task				
Task	Expenses	Rate	Quantity	Total
Task 1.2	Mileage	\$0.545/mile	2084	\$1,136
Task 1.3	Water Quality Analysis	\$4,488/event	4	\$19,747 (includes 10% markup)
	Truck	\$150/day	12	\$1,800
	Generator and Pump Rental	\$800/event	4	\$3,520 (includes 10% markup)
	Field Crew per diem	\$185/day	12	\$2,220
			Total Task 1.3:	\$28,423

Note: No other tasks have associated expenses.

The cost of the work will be prorated among the NCMA group pursuant to the normal cost sharing agreement based on the fraction of groundwater allocation. The pro-rata basis for project fee cost-sharing is shown below:

	NCMA 2018 Annual Report Cost Breakdown (plus contingency)	Fraction
Arroyo Grande	\$60,466.	0.31
Grover Beach	\$62,417.	0.32
Oceano CSD	\$40,961.	0.21
Pismo Beach	\$31,208.	0.16
Total	\$195,052	1.00

Preparation of the 2019 and 2020 NCMA Annual Reports

The GSI team appreciates the opportunity to provide groundwater monitoring, water quality analysis, preparation of quarterly monitoring reports, preparation of the Annual Report, and submittal of the SGMA reporting requirements to DWR, as well as provide technical support services for the preparation of the 2019 and 2020 Annual Reports. We propose to use the approach outlined in Tasks 1.1 through 1.8 above. If any changes in the reporting process occur in any one year, we will review each specific task description with the NCMA project manager and the TG in June of each subsequent year so as to incorporate the changes that would improve the quality of the evaluations or the efficiency of the process. For planning purposes, we expect the level of effort in subsequent years will be roughly equivalent to the current effort proposed for the 2018 Annual Report, plus any nominal cost-of-living increase (typically 3% to 5%) as reflected in our fee schedule.