



WEST VALLEY WATER DISTRICT  
855 W. BASE LINE ROAD, RIALTO, CA 92376  
PH: (909) 875-1804 FAX: (909) 875-1849

REGULAR BOARD MEETING  
AGENDA

THURSDAY, MAY 6, 2021  
CLOSED SESSION - 6:00 PM • OPEN SESSION – 7:00 PM

**BOARD OF DIRECTORS**

Channing Hawkins, President  
Kyle Crowther, Vice President  
Dr. Michael Taylor, Director  
Greg Young, Director  
Dr. Clifford Young, Director

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"In order to comply with legal requirements for posting of agendas, only those items filed with the District Secretary's office by noon, on Wednesday a week prior to the following Thursday meeting, not requiring departmental investigation, will be considered by the Board of Directors."

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**Teleconference Notice:** In an effort to prevent the spread of COVID-19 (Coronavirus), and in accordance with the Governor's Executive Order N-29-20 and the order of the County of San Bernardino dated March 17, 2020, there will be no public location for attending this Board Meeting in person. Members of the public may listen and provide public comment via telephone by calling the following number and access code: Dial: (888) 475-4499, Access Code: 840-293-7790 or you may join the meeting using Zoom by clicking this link: <https://us02web.zoom.us/j/8402937790>. Public comment may also be submitted via email to the Board Secretary, Peggy Asche at [peggy@wvwd.org](mailto:peggy@wvwd.org). The webinar will also be available for public viewing by visiting [www.wvwd.org](http://www.wvwd.org). If you require additional assistance, please contact [peggy@wvwd.org](mailto:peggy@wvwd.org).

**OPENING CEREMONIES**

Call to Order  
Pledge of Allegiance  
Opening Prayer  
Roll Call of Board Members

**ADOPT AGENDA**

**PUBLIC PARTICIPATION**

*Any person wishing to speak to the Board of Directors on matters listed or not listed on the agenda, within its jurisdiction, is asked to complete a Speaker Card and submit it to the District Clerk. Each speaker is limited to three (3) minutes. Under the State of California Brown Act, the Board of Directors is prohibited from discussing or taking action on any item not listed on the posted agenda. Comments related to noticed Public Hearing(s) and Business Matters will be heard during the occurrence of the item.*

## **PRESENTATION**

- Water Treatment Tour.

## **CONSENT CALENDAR**

*All matters listed under the Consent Calendar are considered routine and will be enacted by one vote. There will be no separate discussion of these items unless a member of the Board of Directors, Staff Member, or any member of the public request a specific item(s) be removed for separate action.*

### **Consideration of:**

1. April 15, 2021 - Regular Board Meeting Minutes. **(Page No. 5)**
2. Contract Management Policy. **(Page No. 9)**
3. Resolution No. 2021-5 - Investment Policy. **(Page No. 36)**
4. Resolution No. 2021-7 - Financial Package for Oliver P. Roemer Water Filtration Facility Expansion. **(Page No. 78)**
5. Agreement with Metropolitan Water District, San Bernardino Valley Municipal Water District, and Inland Empire Utilities Agency for State Water Project Water. **(Page No. 79)**
6. Infrastructure Agreement. **(Page No. 88)**
7. Amended Agreement with David Turch and Associates. **(Page No. 95)**
8. Agreement with Tres Es, Inc. for State Lobbying. **(Page No. 124)**
9. Agreement with Mike Roquet Construction for As-Needed Services for Permanent Trench Paving. **(Page No. 152)**
10. Agreement with General Pump Company, Inc. for As-Needed Services for Well & Booster Maintenance and Repairs. **(Page No. 182)**

## **BUSINESS MATTERS**

### **Consideration of:**

11. Update: Fixed Bed Reactor Perchlorate (FXB) Treatment System. **(Page No. 233)**

**REPORTS - LIMITED TO 5 MINUTES MAXIMUM (Presentations or handouts must be provided to Board Members in advance of the Board Meeting).**

1. Board Members

**2. General Manager**

**3. Legal Counsel**

**UPCOMING MEETINGS**

1. May 4, 2021 - San Bernardino Valley Municipal Water District Regular Board Meeting at 2:00 p.m., 380 E. Vanderbilt Way, San Bernardino, CA 92408.
2. May 10, 2021 - West Valley Water District Human Resources Committee Meeting at 6:00 p.m., at District Headquarters.
3. May 11, 2021 – West Valley Water District Safety & Technology Committee Meeting at 6:00 p.m., at District Headquarters.
4. May 12, 2021 - West Valley Water District Finance Committee Meeting at 1:00 p.m., at District Headquarters.
5. May 12, 2021 - West Valley Water District Engineering, Operations & Planning Committee at 6:00 p.m., at District Headquarters.
6. May 13, 2021 - West Valley Water District External Affairs Committee Meeting at 6:00 p.m., at District Headquarters.
7. May 18, 2021 - San Bernardino Valley Municipal Water District Regular Board Meeting at 2:00 p.m., 380 E. Vanderbilt Way, San Bernardino, CA 92408.
8. May 20, 2021 – West Valley Water District Regular Board of Directors Meeting at 6:30 p.m. (6:00 p.m. Closed Session), at District Headquarters.
9. May 25, 2021 - West Valley Water District Policy Review & Oversight Committee Meeting at 6:00 p.m., at District Headquarters.
10. June 1, 2021 - San Bernardino Valley Municipal Water District Regular Board Meeting at 2:00 p.m., 380 E. Vanderbilt Way, San Bernardino, CA 92408.
11. June 3, 2021 – West Valley Water District Regular Board of Directors Meeting at 6:30 p.m. (6:00 p.m. Closed Session), at District Headquarters.
12. June 8, 2021 – West Valley Water District Safety & Technology Committee Meeting at 6:00 p.m., at District Headquarters.
13. June 9, 2021 - West Valley Water District Finance Committee Meeting at 1:00 p.m., at District Headquarters.
14. June 9, 2021 - West Valley Water District Engineering, Operations & Planning Committee at 6:00 p.m., at District Headquarters.
15. June 10, 2021 - West Valley Water District External Affairs Committee Meeting at 6:00 p.m., at District Headquarters.
16. June 14, 2021 - West Valley Water District Human Resources Committee Meeting at 6:00 p.m., at District Headquarters.

17. June 17, 2021 – West Valley Water District Regular Board of Directors Meeting at 6:30 p.m. (6:00 p.m. Closed Session), at District Headquarters.
18. June 22, 2021 - West Valley Water District Policy Review & Oversight Committee Meeting at 6:00 p.m., at District Headquarters.

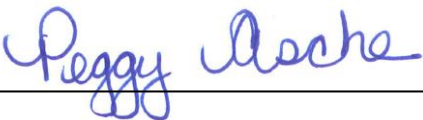
## **CLOSED SESSION**

- CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Government Code Section 54956.9(d)(1) - Young v. West Valley Water District, Superior Court of the State of California, San Bernardino County, Case No. CIVDS 2020934.
- CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: Number of Cases: Three (3).
- PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Pursuant to Government Code Section 54957 Title(s): General Counsel.

## **ADJOURN**

### **DECLARATION OF POSTING:**

I declare under penalty of perjury, that I am employed by the West Valley Water District and posted the foregoing Agenda at the District Offices on May 3, 2021.



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Peggy Asche, Board Secretary

### **Please Note:**

Material related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available for public inspection in the District's office located at 855 W. Baseline, Rialto, during normal business hours. Also, such documents are available on the District's website at [www.wvwd.org](http://www.wvwd.org) subject to staff's ability to post the documents before the meeting.

Pursuant to Government Code Section 54954.2(a), any request for a disability-related modification or accommodation, including auxiliary aids or services, in order to attend or participate in the above-agendized public meeting should be directed to Peggy Asche, at least 72 hours in advance of the meeting to ensure availability of the requested service or accommodation. Ms. Asche may be contacted by telephone at (909) 875-1804 ext. 703, or in writing at the West Valley Water District, P.O. Box 920, Rialto, CA 92377-0920.



**MINUTES**  
**REGULAR BOARD MEETING**  
of the  
**WEST VALLEY WATER DISTRICT**  
**April 15, 2021**

Attendee Name	Present	Excused	Absent
Board of Directors			
Channing Hawkins	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Michael Taylor	<input checked="" type="checkbox"/> remote	<input type="checkbox"/>	<input type="checkbox"/>
Kyle Crowther <i>Attended Closed Session Only</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Clifford Young	<input checked="" type="checkbox"/> remote	<input type="checkbox"/>	<input type="checkbox"/>
Gregory Young	<input checked="" type="checkbox"/> remote	<input type="checkbox"/>	<input type="checkbox"/>
Staff			
Shamindra Manbahal	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Van Jew	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Naseem Farooqi	<input checked="" type="checkbox"/> remote	<input type="checkbox"/>	<input type="checkbox"/>
Haydee Sainz	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Peggy Asche	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Linda Jadeski	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jon Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Joanne Chan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Albert Clinger	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jose Velasquez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rosa Gutierrez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Telat Yalcin	<input checked="" type="checkbox"/> remote	<input type="checkbox"/>	<input type="checkbox"/>
Janet Harmon	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Legal Counsel			
Robert Tafoya	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**OPENING CEREMONIES**

- Pledge of Allegiance - Led by General Counsel, Robert Tafoya.
- Opening Prayer - Led by Pastor Gabriele Araya, Del Rey Church.
- Call to Order
- Roll Call of Board Members

**ADOPT AGENDA**

WVWD

Minutes: 4/15/21

Director Dr. Michael Taylor motioned to adopt the agenda and Director Dr. Clifford Young second the motion. Hearing no discussion, the following vote was taken:

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Michael Taylor, Director
<b>SECONDER:</b>	Clifford Young, Director
<b>AYES:</b>	Channing Hawkins, Michael Taylor, Clifford Young, Gregory Young
<b>EXCUSED:</b>	Kyle Crowther

**PUBLIC PARTICIPATION**

There was no email or zoom comments.

**CONSENT CALENDAR**

Director Dr. Michael Taylor amended the Consent Calendar recommending that Items No. 9, 11, 12 and 13 be moved to Business Matters for separate consideration. Director Dr. Clifford Young second the motion. Hearing no discussion, the following vote was taken:

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Michael Taylor, Director
<b>SECONDER:</b>	Clifford Young, Director
<b>AYES:</b>	Channing Hawkins, Michael Taylor, Clifford Young, Gregory Young
<b>EXCUSED:</b>	Kyle Crowther

1. **MARCH 20, 2021 – SPECIAL BOARD MEETING MINUTES.**
2. **APRIL 1, 2021 – REGULAR BOARD MEETING MINUTES.**
3. **MONTHLY FINANCIAL REPORTS FOR MARCH 2021 (PO, TREASURER, CASH DISBURSEMENT, REVENUES & EXPENDITURES, 3<sup>RD</sup> QTR., AND FUNDS TRANSFER).**
4. **AMENDED CONTRACT FOR INTERIM GENERAL MANAGER POSITION.**
5. **APPROVAL TO PROCEED WITH SCADA AND INFRASTRUCTURE PROJECTS.**
6. **TASK ORDER NO. 2 WITH GHD, INC. FOR PROFESSIONAL ENGINEERING SERVICES FOR THE OLIVER P. ROEMER WATER FILTRATION FACILITY EXPANSION PROJECT.**
7. **AGREEMENT FOR PROFESSIONAL SERVICES FOR LEGAL SERVICES FOR THE OLIVER P. ROEMER WATER FILTRATION FACILITY PROJECT.**
8. **2020 CONSUMER CONFIDENCE REPORT UPDATE.**
9. **APPROVAL OF PAYMENT TO LEAL TREJO, FOR PROFESSIONAL SERVICES RENDERED IN JANUARY AND FEBRUARY 2021, INV. NO. 18301 AND 18314; TOTALING \$7,400.00.**

WVWD

Minutes: 4/15/21

- 10. **APPROVAL OF PAYMENT TO IVIE MCNEILL WYATT PURCELL & DIGGS, FOR PROFESSIONAL SERVICES RENDERED IN FEBRUARY 2021, INV. NO. 744350; \$10,317.20.**
- 11. **APPROVAL OF PAYMENT TO TAFOYA LAW GROUP, APC, FOR PROFESSIONAL SERVICES RENDERED IN JANUARY 2021, INV. NO. 21-1001; \$19,889.59.**
- 12. **APPROVAL OF PAYMENT TO TAFOYA LAW GROUP, APC, FOR PROFESSIONAL SERVICES RENDERED IN FEBRUARY 2021, INV. NO. 21-1002; \$22,539.90.**
- 13. **APPROVAL OF PAYMENT TO TAFOYA LAW GROUP, APC, FOR PROFESSIONAL SERVICES RENDERED IN MARCH 2021, INV. NO. 21-1003; \$17,676.15.**

**BUSINESS MATTERS**

Director Dr. Michael Taylor motioned to take Agenda Items 9, 11, 12 and 13 for approval in one motion. There was no discussion on the items for approval. Director Greg Young second the motion and following vote was taken:

<b>RESULT:</b>	<b>APPROVED [UNANIMOUS]</b>
<b>MOVER:</b>	Michael Taylor, Director
<b>SECONDER:</b>	Greg Young, Director
<b>AYES:</b>	Channing Hawkins, Michael Taylor, Clifford Young, Gregory Young
<b>EXCUSED:</b>	Kyle Crowther

**REPORTS - LIMITED TO 5 MINUTES MAXIMUM (Presentations or handouts must be provided to Board Members in advance of the Board Meeting).**

**1. Board Members**

- Director Greg Young thanked all for the thoughts and prayers for his Grandmother.
- President Channing Hawkins reported on the IE Works Program stating that the District supports their program and that they successfully had a meeting last week. The significant reason is that the District is the first in the region to lead an effort of training and identifying the next set of water technology employees. Also, San Bernardino Valley Municipal Water District has signed up to be a part of the program as well as San Bernardino Valley College, Inland Empire Utilities Commission and Western Municipal Water District. The District plans this summer to train over 80 interns.

**2. General Manager**

- Mr. Shamindra Manbahal congratulated President Hawkins on leading the District and for his vision and foresight for the achievement of IE Works Program.

WVWD

Minutes: 4/15/21

Mr. Manbahal asked the Operations Manager, Joanne Chan, to provide an update on the future FXB. Ms. Joanne Chan reported that the Corollo project was supposed to reach substantial completion in December of 2017. However, today it still has not reached completion. Several challenges with this project include the inability to meet maximum and design flow rates. Also, the perchlorate breakthrough, odor for untreated water and handling of off-spec water discharges. The project has not successfully performed the six-month demonstration and reliability testing. Corollo is requesting that the District pay for the ongoing expenses which are fees to fix the Dionex perchlorate analyzer parts, chemical fees, discharge fees and staff time. Therefore, staff intends to protect the District from additional third-party costs and issue a Notice of Termination letter, which will end the project in June 2021. This concluded her report and she asked if there were any questions. President Hawkins requested that this be placed on the agenda for the next regularly scheduled Board meeting so the Board can inquire questions.

### 3. Legal Counsel

- Mr. Robert Tafoya reported out of Closed Session stating that no final action was taken.

### CLOSED SESSION

Mr. Robert Tafoya reported out of Closed Session stating that no final action was taken.

- CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: Number of Cases: Two (2).
- PUBLIC EMPLOYEE PERFORMANCE EVALUATION – Pursuant to Government Code Section 54957 Title(s): General Counsel.
- CONFERENCE WITH LABOR NEGOTIATOR (54957.6) DISTRICT NEGOTIATORS; Shamindra Manbahal, Robert Tafoya, Union Negotiators; re: International Union of Operating Engineers, Local 12.

### ADJOURN

There being no further business, the meeting adjourned at 7:00 p.m.

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**Channing Hawkins**  
**President of the Board of Directors**  
**of West Valley Water District**

### ATTEST:

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**Peggy Asche, Board Secretary**

WVWD

Minutes: 4/15/21

**ADMINISTRATIVE PROCEDURES**

APPROVAL DATE	FINANCE POLICIES	POLICY NO.
APPROVED BY: Board of Directors	POLICY TITLE <b>CONTRACT MANAGEMENT POLICY</b>	EFFECTIVE DATE

**SECTION I: PURPOSE**

The purpose of this contracts management policy is to establish efficient and effective practices for all staff at the District to follow during the contract cycle to ensure the successful execution and implementation of contracts that will provide needed goods and services for District operations. The contract cycle consists of the purchasing process, contract award, contract term preparation, contract processing, notice to proceed, contract monitoring, and contract modification.

**SECTION 2: GENERAL POLICY & OBJECTIVES**

District staff must act ethically and honestly when participating in the contracts cycle. Further, District staff must provide clear communication to all internal and external parties which also participate in the contracts cycle for the effective and efficient use of District staff time when executing and monitoring contracts. All District staff is expected to adhere to all other District policies at all times, especially when implementing the provisions of the Contracts Management Policy.

**SECTION 3: AUTHORITY**

Unless a contract gets approved by the Board it is not a valid contract. The General Manager will have the authority to appoint one or more designees to act on his/her behalf, as required, subject to this policy and to the establishment of proper procedure and controls governing such designees' authority.

**SECTION 4: RESPONSIBILITIES**

**ADMINISTRATIVE PROCEDURES**



APPROVAL DATE	FINANCE POLICIES	POLICY NO.
APPROVED BY: Board of Directors	POLICY TITLE <b>CONTRACT MANAGEMENT POLICY</b>	EFFECTIVE DATE

**A. Contracting/Division Manager or designee responsibilities include:**

- Ensuring their contracts contain a clear scope of work that defines performance and deliverable requirements.
- Once a contract is executed, immediately communicate with the new contractor and confirm expectations.
  - Verify the obligations of the parties and timelines for performance
- Being familiar with all of the terms and conditions of the agreement
- Managing and documenting on-going and day-to-day contract issues and monitoring the progress of the work performed by a contractor.
- Being the contact and lead for their contract and being responsible for the timely initiation and execution of assigned contracts.
  - For each contract that is executed, participation and approval is required from the Contracting Division staff (see Exhibit A), the Department Head, General Counsel, CFO, and General Manager (as needed, based on delegation of signature authority)

**B. The Purchasing Division responsibilities and objectives include:**

- Providing physical custody and security over all District contractual documents.
- Ensuring consistent and compliant coordination, tracking and administration of all contract activities.
- Providing guidance and training to District contracting and program managers.



## ADMINISTRATIVE PROCEDURES



APPROVAL DATE	FINANCE POLICIES	POLICY NO.
APPROVED BY: Board of Directors	POLICY TITLE <b>CONTRACT MANAGEMENT POLICY</b>	EFFECTIVE DATE

- Have a back-up protocol to ensure continuity and timeliness of operations during vacations and other leaves, including training of staff.
  - Must actively participate in and support the implementation of the internal controls contained in this policy, and immediately follow up if deviation is suspected, in order to avoid the appearance and existence of fraud, misappropriation of District assets, or of conflicts of interest.
  - Additional responsibilities are stated in the remaining sections within this policy.
- C. The primary responsibilities of the Purchasing Supervisor regarding contracts are:
- Must sign and date the Contract Initiation Form
  - The Purchasing Supervisor must verify that the contract is acceptable to the contractor and that the scope of work and budgets are acceptable.
  - Maintaining appropriate records while overseeing the contract routing process and supervising Purchasing Division staff.
  - Have a back-up protocol to ensure continuity and timeliness of operations during vacations and other leaves, including training of staff.
  - Must actively participate in and support the implementation of the internal controls contained in this policy, and immediately follow up if deviation is suspected, in order to avoid the appearance and existence of fraud, misappropriation of District assets, or of conflicts of interest.
  - Additional responsibilities are stated in the remaining sections within this policy.

## ADMINISTRATIVE PROCEDURES



APPROVAL DATE	FINANCE POLICIES	POLICY NO.
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### D. The General Manager or designee's responsibilities include

- Must sign and date the Contract Initiation Form
- Must review reports on monitored activities
- Direct and manage the preparation, designing, implementation, monitoring, and evaluation of internal control policies and procedures
- Have a back-up protocol to ensure continuity and timeliness of operations during vacations and other leaves.
- Must actively participate in and support the implementation of the internal controls contained in this policy, and immediately follow up if deviation is suspected, in order to avoid the appearance and existence of fraud, misappropriation of District assets, or of conflicts of interest.
- Additional responsibilities are stated in the remaining sections within this policy.

### **SECTION 5: CONFLICTS OF INTEREST**

District staff shall carry out any roles, responsibilities and activities related to contract administration in a manner that identifies and avoids real, apparent, or potential conflicts of interest. District staff involved in contract decision making shall report in writing, any real, apparent, or potential conflicts of interest that may come to their attention during any phase of the contract administration cycle.

### **SECTION 6: WHEN ALLOWED TO CONTRACT**

Factors to be considered in determining the need to outsource a function include:



## ADMINISTRATIVE PROCEDURES



APPROVAL DATE	FINANCE POLICIES	POLICY NO.
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- Work which has historically been contracted for by the District;
- The contract is for consulting work;
- Expertise and equipment included in the contract is not normally employed or purchased by the District;
- Third party objectivity and credibility are essential to the service provided.
- Day-to-day activities are managed by the contractor; and responsibility/risk is assumed by the contractor.

### **SECTION 7: PURCHASING PROCESS**

Please refer to the District's Purchasing Policy for more information regarding the procurement cycle, including Purchasing authorization dollar limits, conflicts of interest and internal control implementation, competition requirements, RFP preparation, candidate evaluation, selection criteria and much more.

### **SECTION 8: CONTRACT AWARD/CONTRACT INITIATION**

The Contract/Division Manager should collect and supply the expected cost for the contract and any supporting rationale. Specific costs should be known prior to submitting Contract Initiation Form (CIF) (see exhibit A) to the Purchasing Division.

Once the final contract has been prepared by legal counsel, the Contract Initiation form (CIF) (see Exhibit A) shall be routed for approvals with the contract and any necessary supporting documentation. The CIF must be signed and dated by the Purchasing Supervisor or designee, CFO, Department Head or designee, General Counsel, and General Manager. If the contract exceeds \$25,000, the CIF must also

**ADMINISTRATIVE PROCEDURES**



APPROVAL DATE	FINANCE POLICIES	POLICY NO.
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be signed by the Board President.

Please note that the Contract Initiation Form states that “By signing this form, you are certifying that this contract packet and its contents meet with your approval.” All signers must ensure that they have examined the contents thoroughly prior to signing the packet.

**SECTION 9: EVALUATING CONTRACT RISKS**

The Purchasing Division shall identify contracts that require enhanced contract monitoring or the immediate attention of Contracting Division staff.

The Purchasing Division and the Contracting Division must collaborate to evaluate key elements of risk that may occur on a contract. The risk considered shall include the following:

- a. Contract Cost Revisions
- b. Contract Duration Limitations
- c. Transaction and Data Volume
- d. Monitoring and Quality Assurance
- e. Vendor Control Activities and Data Quality
- f. Communication and Customer Service
- g. Complexity of Vendor Operations and Processes
- h. Complexity of Contract Scope or Deliverables
- i. Close Out
- j. Extent of Government Regulations

## ADMINISTRATIVE PROCEDURES



APPROVAL DATE	FINANCE POLICIES	POLICY NO.
APPROVED BY: Board of Directors	POLICY TITLE <b>CONTRACT MANAGEMENT POLICY</b>	EFFECTIVE DATE

- k. Vendor Cooperation with Audits
- l. Potential for Public Disclosure
- m. Vendor Experience and Past Performance
- n. Physical and System Security
- o. Data Security
- p. Business Continuity/Disaster Recovery
- q. Training
- r. Financial Assurance and Credit Worthiness
- s. Fraud, Waste and Abuse
- t. Other

Enhanced Monitoring Reporting – Contract monitoring activities must be documented and reported to the GM or designee on a quarterly basis, which will be coordinated and presented by Contracting Division staff, with support from individual Purchasing Supervisors or designees.

Additionally, for vendors that perform on-going operational work, it shall be the decision of the CFO or designee to obtain a SOC Report from the vendor. SOC stands for “System and Organization Controls”. A SOC Report (System and Organization Controls Report) is a report on Controls at a Service Organization which are relevant to user entities’ internal control over financial reporting.

A SOC 2 report is designed to provide assurances about the effectiveness of controls in place at a service organization that are relevant to the security, availability, or processing integrity of the system used to process clients’ information, or the confidentiality or privacy of that information.



## ADMINISTRATIVE PROCEDURES



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Companies that use cloud service providers, for example, use SOC 2 reports to assess and address the risks associated with third party technology services. These reports are issued by independent third-party auditors.

### **SECTION 10: CONTRACT PROCESSING**

A contract routing package/folder is prepared by Purchasing Division staff. A draft contract is prepared by a contacting Department Head or designee, typically using a boiler plate template developed in conjunction with the District's legal Counsel.

- A copy of the District agenda item is included with the routing package (as needed).
- A memorandum or email is prepared to transmit the draft contract package to the Purchasing Supervisor. The memo/email should include relevant information about the contract and any necessary instructions and deadline requirements for the review of the package/folder.
- The Purchasing Supervisor must verify that the contract is acceptable to the contractor and that the scope of work and budgets are acceptable to both parties prior to Purchasing Division staff routing the final contract package. An electronic copy of the draft contract will be provided to the Contact/Division Manager to assist with any negotiations.
- At the time that the final contract package is prepared, the Purchasing Division staff shall determine if any information has not been received. It is the responsibility of the Purchasing Supervisor (with the assistance of Purchasing Division staff) to ensure that all documents, budgets, etc. have been included.

## ADMINISTRATIVE PROCEDURES



APPROVAL DATE	FINANCE POLICIES	POLICY NO.
APPROVED BY: Board of Directors	POLICY TITLE <b>CONTRACT MANAGEMENT POLICY</b>	EFFECTIVE DATE

### A. SUBCONTRACTOR TERMS

The District requires the review and confirmation of subcontracts as part of its routine contracting practices. Contracting Division staff will maintain provisions for the review of subcontracts and will assign staff to manage and monitor this process.

This review is limited to confirming that the subcontract is consistent with the District prime contract requirements

The following steps are taken in the successful review and approval of subcontracts:

1. The Purchasing Supervisor is responsible for ensuring that contractors provide the District with a copy of every subcontract agreement. Subcontracts should be submitted to the District in a timely manner for review and written approval prior to execution by the contractor and the subcontractor.
2. Each subcontract must be consistent with the terms of the prime contract between the District and the contractor and include provisions that require subcontractor compliance with District rules as specified.
3. Each subcontract should include a scope of work, task and expense budgets, and a work schedule that are consistent with the prime contract between the District and the contractor. It is important to make the contractor aware that the terms of the District's prime contract with the contractor take precedence over all subcontracts.
4. The Purchasing Supervisor or designee should contact the contractor in the early stages of the project to clarify the District subcontract requirements and should review each subcontract for compliance with all portions of the

## ADMINISTRATIVE PROCEDURES



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District's contract.

5. If there are any deficiencies in the subcontract, Purchasing Supervisor or designee shall draft a letter to the contractor detailing these deficiencies.

### B. CONTRACT ROUTING PACKET

The Purchasing Supervisor or designee should provide any additional information and assistance required by Purchasing Division in the final preparation of the contract and associated materials. The Purchasing Supervisor or designee should review the contract and any related materials to ensure the information is correct. The related materials may include:

- a. An information packet,
- b. Two (or more) original District contracts for execution,
- c. A contract initiation form
- d. A coordination memo which transmits the appropriate number of copies of the contract through internal staff reviewers to the GM or Board President for approval and signature, and,
- e. A letter from the District transmitting the copies of the contract to the contractor for signature, and
- f. A copy of the District agenda item (where applicable)

The Purchasing Division is responsible for putting the contract routing package/folder together for the Purchasing Supervisor or designee. The package will include the grant application (if applicable), an executable contract, a CIF, routing memorandum, a transmission letter to the contractor, a copy of the District



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agenda item (if applicable) which includes the deadline for execution of contract and any special conditions, and any other related documentation deemed necessary by the Purchasing Division.

### C. ROUTING CHECKLIST

Final contract packets are routed through the following: Purchasing Supervisor or designee, Legal Counsel, CFO, the GM and Board President (where needed). Once the routing is complete and approved, the packet is returned to Purchasing Division for distribution, scanning and system updates.

#### **Purchasing Supervisor or designees**

When routing a contract or amendment for approvals at the District, the Purchasing Supervisor or designee should ensure the following criteria (at a minimum) have been met.

- Transmission letter and memorandum review:
  - Verify documents properly addressed and dated
  - Verify contract/grant numbers
  - Verify letter is from proper Department Head
- Contract Initiation Form
  - Verify start and end dates are correct
  - Verify contract numbers
  - Verify budgets
- Contract/Grant Documents
  - Verify contract numbering

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- Verify Contractor names
- Verify any Task and Expense Budgets
- Verify standard provisions - included but not limited to:
  - Termination clauses
  - Contact information
  - Scope of work
  - Reporting requirements
  - Deliverable requirements (*including number required*)
- Verify sufficient time is given for reports and deliverables
- Verify appropriate number of copies
- Signatories and titles accurate

**CFO Review**

When routing a contract or amendment for approvals at the District, the CFO shall ensure the following criteria (at a minimum) have been met:

- Contract Initiation Form
  - Verify start and end dates are correct
  - Verify contract numbers
  - Verify budgets
  - Fiscal Year



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- Receivable contract relationships (where applicable)
- Contract/Grant Documents
  - Payment Terms
  - Task and Expense Budgets reviewed and calculated
  - Terms for Travel and other Expenses
  - Whether SOC reports shall be obtained from the Vendor

### **District Legal Counsel**

When routing a contract or amendment for approvals at the District, the contract attorney should ensure the following criteria have been met

- Contract/Grant Documents
  - Accurate contract numbering
  - Party/Contractor names verified
  - Terms and Conditions
  - Standard provisions are included and properly referenced –contact information for both parties, review for:
    - Termination clauses
    - Ownership (if needed)
    - Severance
    - Force majeure
  - Verification of any required state and federal clauses

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- Signatories and titles accurate

### **Executive Management**

The GM and/or Board President when applicable are encouraged to thoroughly review each contract or amendment that is presented for review and execution. It is expected that the executive reviewer will rely considerably upon the certification and signatures of subordinate staff as guidance to the acceptability of the contract or amendment.

### **D. CIRCULATING CONTRACT FOR SIGNATURES**

1. After the contract originals are sent to the contractor for signature, the Purchasing Supervisor or designee may follow-up by contacting the contractor to ensure that the contractor signs and dates all copies of the contract.
2. After the contractor has executed (signed and dated) and returned the original contracts to Purchasing Division or the Contracting Division, the documents are routed to the GM for final execution by the District. Upon execution, one executed original will be returned to the contractor.

### **E. DISTRICT STAFF RESPONSIBILITIES BEFORE DISTRICT BOARD MEETING**

- After the contract originals are sent to the contractor for signature, the Purchasing Supervisor or designee may follow-up by contacting the contractor to ensure that the contractor signs and dates all copies of the contract and provides evidence of local matching funds, if not already

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provided. Where applicable, the contractor must execute the contract originals and provide sufficient evidence of local matching funds (if applicable) before the deadline specified at District approval of the application.

- After the contractor has executed (signed and dated) and returned the original contracts to the Purchasing Division, the documents are routed to the GM or the Board President for final execution by the District. For all District initiated contracts, the District will sign last. Upon execution, one executed original will be returned to the contractor.

### F. DISTRICT APPROVAL

Where applicable, if the contract is not executed prior to any District affirmed deadline, the contractor must request and receive a District approved extension to the deadline, or the contract cannot be executed.

Approved packets require certification and signature on the routing sheet and the contract initiation form. The packet should then be delivered to the next reviewer as indicated on the routing sheet on the cover of the folder. This applies to all contract reviewers.

### G. REQUESTING BUDGET AMENDMENT WITH DISTRICT APPROVAL OF CONTRACT

All budgets must be approved during the annual Budget process or through mid-year budget requests made by the CFO. If the completion of a contract requires a budget amendment, then the Purchasing Supervisor, Contracting Division



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Manager or designee must follow the mid-year budget request process outlined in the Budget policy.

### H. EXECUTING THE CONTRACT

The following steps are taken in the preparation, routing, and execution of a contract amendment:

1. A contract amendment request can be initiated by the Purchasing Supervisor or designee or by the District's contractor. If a formal contract amendment is required, the Purchasing Supervisor or designee should require that the contractor submit a written request (or written acknowledgement if initiated by the District) for the amendment, with justification for the proposed revision. The Purchasing Supervisor or designee should review the revised budget or schedule and justification to ensure that the revisions are necessary and will still allow the approved contract scope of work to be performed.
2. If the requested revisions from the contractor are not satisfactory, the Purchasing Supervisor or designee should notify the contractor in writing and identify any problems or deficiencies.
3. Once a satisfactory request is provided to the District, the Purchasing Supervisor or designee should deliver the written request for the amendment to Contracting Division along with any other relevant documentation to support the request. The Purchasing Supervisor or designee should be prepared to provide additional information to assist with final preparation of the contract amendment as needed by Contracting Division staff.
4. Once a draft amendment is completed by Purchasing Division staff or by the Purchasing Supervisor or designee, the Purchasing Supervisor or designee

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should review the amendment (routing package) to ensure the information is correct. The materials will include two (or more if multiple contractors/signatories) original District contract amendment copies for execution, a contract initiation form and a coordination memo outlining the changes that are being requested. The packet will be routed through the Purchasing Supervisor or designee, CFO, Legal, GM, and Board (as needed) for approval and signature. A letter transmitting the copies of the amendment to the contractor for signature is also included.

5. After the GM or Board has approved the contract amendment package, Contract Division staff will provide the Purchasing Supervisor or designee with a copy of the memo, transmittal letter and amendment. Once the amendment has been fully executed, the following distribution will be followed:
  - Original contract amendment and copy of contract initiation form goes to official file (fireproof cabinet)
  - Copy of amendment and all other routing package information goes to the official contract working files
  - Notification of the amendment to the Purchasing Supervisor or designee
  - Original contract initiation form routed to Contracting Division staff. An electronic copy of the executed amendment package is placed in the Contract tracking system, if applicable.

### **I. RECORDING/SAFE-KEEPING OF THE CONTRACT**

A hard copy of the executed contract and a copy of the Contract Initiation Form should be filed in the Contract Working Files that are maintained by Purchasing Division. The executed contract with original signatures shall be filed in the Official Contract File which is located in fire-proof, lockable cabinets. Copies of the

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transmittal letter, and executed contracts are scanned and maintained in the contract management/tracking system. The Purchasing Supervisor or designee is notified of the execution and the original CIF is provided to Contracting Division staff for their records. Unless a contract gets approved by the Board it is not a valid contract

\* Please note that in some instances, contracts with the Federal Government are executed with electronic signatures.

In those instances, a hard copy of the award document and any associated correspondence will be included in the Contract Working Files and the Official Contract File.

After the contract has been executed and distributed, the contract tracking system is updated with agreement details. Further, the Purchasing Supervisor or designee must provide agreement expiration dates to the A/P division and Purchasing Agent to ensure that payments do not get made on expired agreements.

### **SECTION 11: CONTRACT AND VENDOR MONITORING**

Please note that Memorandums of Understanding are exclusively reserved for consideration and execution by the Board. Unless- such a contract gets approved by the Board it is not a valid contract.

- A. For contracts with a value that exceeds \$1 million, regular reporting must be provided to the Board that includes information on:
  - a. Compliance with financial provisions and delivery schedules under the contract;
  - b. Corrective action plans required under the contract and the status of any



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active corrective action plan; and

- c. Any liquidated damages assessed or collected under the contract.
- B. For contracts with a value that exceeds \$5 million, the Purchasing Agent and the Contracting Department Head must:
- a. Verify in writing that the solicitation and purchasing methods and contractor selection process comply with state law and agency policy; and
  - b. Submit to the Board information on any potential issue that may arise in the solicitation, purchasing, or contractor selection process.

Additionally, for vendors that perform on-going operational work, it shall be the decision of the CFO or designee to obtain a SOC Report from the vendor. If a SOC Report is obtained from the vendor, then a request must be made by the Contracting Division Manager for more up-to-date SOC Reports annually. Please see Section 9 for more information about SOC Reports

### **SECTION 12: CONTRACT MODIFICATIONS**

The General Manager may extend the term of a District agreement so long as the Contract has not expired and there are no other material changes to the agreement, such as scope of work, consideration, method of payment, insurance, and indemnity requirements. This provision applies to time extensions only. Unless a contract gets approved by the Board it is not a valid contract.

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### **SECTION 13: PAYMENT HOLDS**

1. If an invoice is received while a contract amendment is pending execution, the contractor shall be notified by the Contracting Division that the payment will be denied. The contractor will need to re-submit the invoice after the approval of the contract amendment.
2. If an invoice is received where approval of a subcontractor agreement or internal budget memorandum are pending, the payment can be placed "on hold" for up to eight calendar days. If the agreement and/or memorandum are not approved by the District within the 8 days, the District shall deduct any expenses associated with the budget memorandum and/or affected subcontractor and will pay the remaining balance.

### **SECTION 14: RETENTION PAYABLE**

The Purchasing Supervisor or designee should verify that their contract status is changed to Retainage Pending, as appropriate. The Contracting Division's staff shall initiate the retention payment as appropriate by completing a Request for Payment Form as found in the A/P policy (see Exhibit G).

### **SECTION 15: CONTRACT DELIVERABLES**

Some District contracts have deliverables in the form of planning, engineering and scientific reports. These contracts require contractors to produce an initial draft report to be followed by a final report. The Purchasing Division has assigned Engineering and/or Operation managers who are responsible for various tasks in the review and approval process of draft reports.



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To ensure that the District gets deliverables of the highest caliber and that each step of the draft report review and approval process is properly handled, the following steps shall be taken in the successful review and approval of draft reports:

- a. The Purchasing Supervisor or designee shall transmit copies of any reviewer comments and prepare a transmission letter to the contractor . It is important that the Purchasing Supervisor or designee review the comments for appropriateness before including them in the attachment. A reminder to the contractor to mail the Final Report to the Purchasing Supervisor or designee will be included in the letter.
- b. The letter transmitting review comments and suggested revisions to the final report will be routed through the Purchasing Supervisor or designee, Department Head, and the GM, if applicable. Copies of each reviewer's actual comments will be attached to the letter as it is being routed for approval and signature. Only the edited comments will be mailed with the review letter and not each individual reviewer's comments (if applicable or in the best interest of the District).
- c. Copies of all draft report related memos and letters are to be given to the Purchasing Supervisor or designee and copies should be filed in the Purchasing Division's contract working files. Purchasing Division staff will place the routing file in a "Final Reports Pending" queue until the Final Report is received
- d. If the Final Report is satisfactory, the Purchasing Supervisor or designee will notify Purchasing Division staff by email. A letter will be prepared for signature by the Department Head and/or GM, to notify the contractor that the Final Report is acceptable and in conformance with the terms of the

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contract. The letter will also note that the contractor may request payment of retainage that may have been held on the contract.

- e. An electronic version of the report shall be supplied by the contractor to the District. Any CDs or other media containing scientific data apart from the Final Report that are submitted to the District by the Contractor will be maintained in binders and made available to District staff as needed.
- f. The Purchasing Supervisor or designee shall verify that the contract status is changed to Retainage Pending, as appropriate.

### **SECTION 16: CONTRACT CLOSE-OUT**

The District Purchasing Division shall retain records of each contract entered into and all solicitation documents related to the contract through the seventh anniversary of the date:

- The contracts are completed or expires; or
- All issues that arise from any litigation claim, negotiation, audit, open records request, administrative review, or other action involving the contract or documents are resolved.

### **Procedure**

1. Purchasing Division staff will obtain from the assigned Contracting Division Manager or designee a written confirmation that the contract is complete and that all deliverables and payment requirements have been satisfactorily completed.

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2. All physical file documentation for the contract will be collected for archives and storage and the contract status in the Contract tracking software (if applicable) will be updated to 'complete' status.
3. Contract documentation will be retained in accordance with the District's Records Retention Schedule.
4. Unless a contract gets approved by the Board it is not a valid contract

# CONTRACT INITIATION FORM

### TYPE OF CONTRACT

- PSA
- PURCHASE
- LICENSE
- MOU
- LEASE
- EASEMENT
- CONSTRUCTION
- DEED

### ROUTING AND APPROVAL

Original Contract/ Agreement Amount: \_\_\_\_\_ Estimated Start Date: \_\_\_\_\_  
 Current Contract/ Agreement Amount (includes previous supplements): \_\_\_\_\_  
 Proposed Increase: \_\_\_\_\_ Board Approval Date: \_\_\_\_\_  
 New Contract Total: \_\_\_\_\_ Estimated Completion Date: \_\_\_\_\_  
 Return Contract to: \_\_\_\_\_

### TIMELINE OF CRITICAL DATES Request for Proposal (RFP)

Release of RFP	
Mandatory Pre-Proposal Meeting	
Deadline for Question Submittal via Planet Bids	
RFP submittal DUE	
Selection Committee Review Period/Interviews	
Award Date	
Submittal Deadline	

### REQUESTING DEPARTMENT

Department Name		Room/Building	
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## CONTRACT INITIATION FORM

Contact Person		Telephone	
E-Mail Address			

### CONTRACTOR INFORMATION

Contractor Name		Telephone	
Contact Person			
Address			
Email Address			

### CONTRACTOR DESCRIPTION

Purpose of Contract:			
Requisition Number:	(Required for expenditure contract)		
Is this a "Sole Source" contract?	<input type="radio"/> N/A (contract <\$10k) <input type="radio"/> No <input type="radio"/> Yes If yes, justification must be provided		
Will any data be released as a result of this contract?	<input type="radio"/> No <input type="radio"/> Yes (If yes, appropriate IT approval required in "Contract Routing and Approvals" section below.)		
Will any district information be released as result of the contract?	<input type="radio"/> No <input type="radio"/> Yes		

## CONTRACT INITIATION FORM

What other customers are affected by this contract?	
Specify the individual in your department (Contract Monitor) responsible for ensuring receipt of goods/services contracted for under this agreement:	
Frequency of monitoring (quarterly, semi- annually, annually, etc.):	

I certify that I have read the attached contract/agreement and that the requesting department shall comply with all its requirements and have notified any other departments affected by this contract/agreement. I recognize that while the Purchasing Division, Finance Department, IT, or the Office of Legal Counsel may analyze the contract from a legal or policy perspective, it is the requesting department's responsibility to (a) ensure the specifications are sufficient and/or practical for department need; (b) funds are available; (c) monitor compliance, expiration, and payment

Signature	Date

Requesting Department:	<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> Department Contact/ Contact Monitor	<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> Date
Approved By:	<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> CFO	<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> Date
Approved By:	<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> GM	<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> Date
Approved By:	<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> Board President	<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> Date

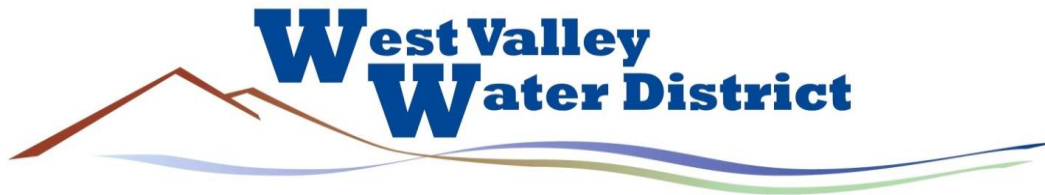
### CONTRACT ROUTING AND APPROVALS

### CONTRACT INITIATION FORM

<i>Type of Contract (Select One)</i>	<i>Routing Sequence</i>	<i>Approvals</i>	<i>Date</i>
<p><b>A. Standard Contracts and Vendor-Generated Contracts</b></p> <p><input type="checkbox"/> IT Products (Computer Hardware, Software, IT services, Cloud Environments, etc.)</p> <p><input type="checkbox"/> Services (Banking, Dining, Equipment Maintenance, etc.)</p> <p><input type="checkbox"/> Continuing Education</p> <p><input type="checkbox"/> Dual Service</p> <p><input type="checkbox"/> Facilities Use</p> <p><input type="checkbox"/> Personal, Professional, Consultation Services</p>	<p>1. Purchasing Division</p> <p>2. Legal Counsel (if applicable)</p> <p>3. Finance Department (if applicable)</p> <p>4. IT Department (hardware or Software)</p>	<p>_____</p> <p>_____</p> <p>_____</p>	<p>_____</p> <p>_____</p> <p>_____</p>
<p><b>B. Specific Non-Standard Contracts</b></p> <p><input type="checkbox"/> Partnership</p> <p><input type="checkbox"/> Real Property Lease</p>	<p>1. CFO</p> <p>2. Legal Counsel (if applicable)</p>	<p>_____</p> <p>_____</p>	<p>_____</p> <p>_____</p>
<p><b>C. All other Non-standard Contracts</b></p> <p><input type="checkbox"/> _____</p> <p><input type="checkbox"/> _____</p>	<p>1. CFO</p> <p>2. IT Department (Hardware or Software)</p>	<p>_____</p> <p>_____</p> <p>_____</p>	<p>_____</p> <p>_____</p> <p>_____</p>

**For Office Use Only:** Contract Number \_\_\_\_\_ Purchase Order Number \_\_\_\_\_





**BOARD OF DIRECTORS  
STAFF REPORT**

**DATE:** May 6, 2021  
**TO:** Board of Directors  
**FROM:** Shamindra Manbahal, Interim General Manager  
**SUBJECT:** WEST VALLEY WATER DISTRICT INVESTMENT POLICY

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**BACKGROUND:**

The West Valley Water District (“District”) Board of Directors (“Board”) voted to implement an Investment Policy on April 19, 2018. Amending the July 20, 2017 Resolution 2017-21. It is best practice to review and update the District’s Investment Policy on an annual basis to ensure compliance with the provisions of the California Government Code governing investment of public funds and make revisions as necessary to allow the District to leverage excess funds available for investment.

**DISCUSSION:**

The District’s Board authorized a contract with Chandler Asset Management on February 15, 2018. Chandler Asset Management has made a recommendation to change several aspects of the Investment Policy. The changes proposed after comparing the District’s Investment Policy to the California Government State Code (“CGC”), CMTA standards, and best practices are as follows:

**Section 3. Prudence** - We recommend updating this section to require the Prudent Investor Standard per CGC Section 53600.3. We also included the actual language from the Prudent Investor Standard to be consistent with CMTA best practices.

**Section 5. Delegation of Authority** – Added language that acknowledges that losses are possible when investing.

**Section 7. Ethics and Conflict of Interest** – Added that employees and officers shall refrain from conducting personal investment transactions with the same individual with whom business is conducted on behalf of the District to avoid any potential conflicts of interest.

**Section 9. Authorized Investments:**

- **9.8 Commercial Paper** – Updated language to be consistent with CGC 53601(h).
- **9.9 Repurchase Agreements** – Increased collateralization requirement from 100% to 102% to be consistent with CGC 53601(j).



- **9.11 Mutual Funds and Money Market Mutual Funds** – Added mutual funds to this section as an authorized investment to be consistent with CGC 53601(l). CGC permits up to 10% per qualified individual mutual fund, not to exceed 20% total combined money market mutual funds and mutual funds.
- **9.15 Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations from issuers not defined in sections 9.1 and 9.5 of the Authorized Investments of this policy** - We recommend adding structured products to the authorized investments section of the investment policy in accordance with CGC Section 53601(o). ABS and non-agency MBS must be rated at least “AA” or its equivalent at the time of purchase. These are high quality securities that will provide the District the ability to further diversify the portfolio among a broader universe of security types. Although these securities might have additional complexities compared to traditional bonds, Chandler has experience, knowledge and tools to help the District evaluate these securities. They also have the potential to provide additional earnings to the portfolio as yields on ABS are typically higher than comparable government securities.

**Section 11. Collateralization** – Increased CD collateralization requirement to 110% of market value to protect against fluctuations in the market value of the collateral.

**Section 13. Safekeeping of Securities** – Specified that monthly statements from the custodian are required. Included exceptions to the delivery-versus-payment (DVP) requirement for securities that are not deliverable, e.g., LGIPs, money market mutual funds, and bank time deposits.

**Section 14. Risk Management, Diversification and Maximum Maturities** - Clarified that US government securities, LAIF, CalTRUST, money market funds, mutual funds and supranationals are exempt from the 5% per issuer limitation.

- **14.1** – Added that the District will maintain a minimum of six months of budgeted operating expenses to mitigate market risk in the portfolio from having to liquidate securities prior to maturity.
- **14.3** – Included a procedure for handling securities that are downgraded below the credit quality required by the investment policy.

**Section 15. Review of Investment Portfolio** – Added this section per CMTA best practices.

**Section 19. Glossary** – Updated the glossary with additional investment terminology from the policy.

**FISCAL IMPACT:**

None.

**STAFF RECOMMENDATION:**

Staff recommends the authorization to bring the revised Investment Policy to the Finance Committee for review and subsequently the full Board for approval. The proposed Investment Policy does comply with all State Investment Policy statements and recommendations.

Respectfully Submitted,

*Shamindra Manbahal*

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Shamindra Manbahal, Interim General Manager

SM:jv

**ATTACHMENT(S):**

1. Exhibit A - Redlined Version Investment Policy
2. Exhibit B - Proposed Investment Policy

**MEETING HISTORY:**

03/23/21      Policy Review and Oversight Committee      REFERRED TO COMMITTEE

04/14/21      Finance Committee      REFERRED TO BOARD

# EXHIBIT A

**RESOLUTION NO. ~~2021-518-8~~**  
**RESOLUTION OF THE BOARD OF DIRECTORS OF**  
**THE WEST VALLEY WATER DISTRICT**  
**ADOPTING THE ANNUAL INVESTMENT POLICY**  
**AMENDING RESOLUTIONS NO. ~~2018-82010-13 AND 2016-12~~**

**WHEREAS**, pursuant to State law, the Chief Financial Officer/or Treasurer of the West Valley Water District (“District”) shall annually prepare and submit a statement of investment policy and such policy and any changes thereto, shall be considered by the legislative body at a public meeting;

**NOW, THEREFORE**, the Board of Directors (“Board”) of the District does hereby resolve and determine as follows:

**Section 1. Policy** It is the policy of the District to invest public funds in a manner which will provide the highest investment return with the maximum security, while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds.

**Section 2. Scope** This investment policy applies to all financial assets of the District. These funds are accounted for in the District’s audited Comprehensive Annual Financial Report (CAFR) and include:

**2.1 Funds:**

- 2.1.1 General Fund
- 2.1.2 Any new fund created by the District, unless specifically exempted

**2.2 Funds Excluded From This Policy**

- 2.2.1 Public Employees Retirement Fund
- 2.2.2 Deferred Compensation
- 2.2.3 West Valley Water District Water Revenue Refunding Bonds, Series 2016A
- 2.2.4 Any Restricted Funds

**Section 3. Prudence** Pursuant to California Government Code, Section 53600.3, all persons authorized to make investment decisions on behalf of the Agency are trustees and therefore fiduciaries subject to the *Prudent Investor Standard*:

“...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act

with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

~~Investments shall be made with judgment and care—under circumstances then prevailing—which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.~~

~~—The standard of prudence to be used by investment officials shall be the “prudent person” and/or “prudent investor” standard and shall be applied in the context of managing an overall portfolio.~~ Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

**Section 4. Investment Objectives** The primary objectives, in priority order, of the District’s investment activities shall be:

**4.1 Safety.** Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the District will diversify its investments by investing funds among independent financial institutions offering a variety of securities offering independent returns. Investments shall be made with the aim of avoiding capital losses due to issuer default, broker-dealer default or market value erosion.

**4.2 Liquidity.** The District’s investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements which are reasonably anticipated.

**4.3 Return on Investment.** The District’s investment portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, commensurate with the District’s investment risk constraints and the cash flow characteristics of the portfolio.

**Section 5. Delegation of Authority.** Authority to manage the District’s investment program is derived from California Government Code, Section 53607. Management responsibility for the investment program is hereby delegated to the General Manager and Chief Financial Officer/or Treasurer, who shall be responsible for all

transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials, and their procedures in their absence.

The Board of Directors, the General Manager, the Assistant General Manager, and the Chief Financial Officer/or Treasurer shall be signatories on all accounts, to access accounts for these and other authorized investments consistent with this investment policy.

The Chief Financial Officer/or Treasurer may retain the services of an outside investment advisor or manager as approved by the Board to assist with the District's investment program. Qualified outside managers will be either SEC Registered Investment Advisors or Bank Money Managers. The investment advisor shall make all investment decisions and transactions in strict accordance with State and Federal law, this Policy and such other written instructions as are provided. The performance and service levels of investment advisors and managers shall be reviewed annually.

The District's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The District recognizes that in a diversified portfolio, occasional measured losses may be inevitable and must be considered within the context of the overall portfolio's return and the cash flow requirements of the District.

**5.1 Investment Procedures.** The Chief Financial Officer/or Treasurer shall establish written investment policy procedures for the operation of the investment program consistent with this policy. The procedures should include reference to: safekeeping, wire transfer agreements, banking service contracts and collateral/depository agreements, and cash flow forecasting. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Chief Financial Officer/or Treasurer.

**Section 6. Internal Controls.** The Chief Financial Officer/or Treasurer shall establish a system of internal controls designed to prevent losses due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, and/or imprudent actions by employees of the District. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes the (1) cost of control should not exceed the benefits likely to be derived and (2) the value of costs and benefits requires estimates and judgements by management. Compliance with this policy and internal controls shall be reviewed annually by the District's independent, external auditors as part of its normal audit procedures.

Any investment activity outside of the District's Financial Advisor's recommendation shall require approval by both the Chief Financial Officer and the General Manager.

Written operational and investment procedures consistent with this Policy shall be established and include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under this Policy and the established procedures.

**Section 7. Ethics and Conflicts of Interest** Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Board any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the District. [Employees and officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the District.](#)

**Section 8. Authorized Broker-Dealer** the Chief Financial Officer/or Treasurer will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers, selected by credit worthiness, who are authorized to provide investment services in the State of California. These may include “primary” dealers, or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by California laws. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Chief Financial Officer/or Treasurer with the following:

- 8.1 Must be in business for at least three (3) years
- 8.2 Proof of Financial Industry Regulatory Authority (FINRA) certification (not applicable to Certificate of Deposit counterparties)
- 8.3 Proof of national Association of Security Dealers certification.
- 8.4 Proof of California registration
- 8.5 Certification of having read and understood and agreeing to comply with the District’s investment policy and depository contracts.
- 8.6 Evidence of adequate insurance coverage.

An annual review of the financial condition and registrations of qualified bidders will be conducted by the Chief Financial Officer/or Treasurer. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the District invests. Broker/dealers utilized by an external investment adviser will be at the sole discretion of the adviser.

**Section 9. Authorized Investments** From the Board of Director’s perspective, special care must be taken to ensure that the list of instruments includes only those allowed by law and those that the District Chief Financial Officer/or Treasurer is trained



and competent to handle. Concentration and credit limits apply at the time the security is purchased.

The District is empowered by statute to invest in the following types of securities:

- 9.1 United States Treasury Issues.** United States Treasury notes, bonds, bills or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest (CGC §53601(b)) There's no limitation as to the percentage of the portfolio that may be invested in this category, however, maximum investment maturities are limited to up to five years;
- 9.2 State of California Local Agency Investment Fund (LAIF).** The District may invest in the Local Agency Investment Fund established by the State Treasurer for the benefit of local agencies (CGC §16429.1). The fund must have 24 hour liquidity. There is no limitation on the percentage of the District portfolio that may be invested in this category;
- 9.3 The Investment Trust of California (CalTRUST).** The Investment Trust of California (CalTRUST) is a local government investment pool organized as a joint powers authority pursuant to California Government Code Section 6509.7 Shares of beneficial interest issued by the Investment Trust of California (CalTRUST), which invests in securities and obligations eligible for direct investment by local agencies pursuant to California Government Code Section 53601. There are four different funds that are available. They are:
1. Government Money Market Fund
  2. Heritage Money Market Fund
  3. CalTRUST Short term fund
  4. CalTRUST Medium term fund
- ~~Both the Short term and the Medium term funds trade in a narrow range. During the 2016-2017 year they have traded between \$10.02 and \$10.04 Net Asset Value (NAV).~~
- Investment of District funds in CalTRUST shall be subject to investigation and due diligence prior to investing. No limit will be placed on the percentage total in this category
- 9.4 Negotiable Certificates of Deposit.** Negotiable Certificates of Deposit (NCDs) issued by a nationally or state chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases are limited to institutions that have a long-term debt rating of at least the "A" category or its

equivalent, by a Nationally Recognized Statistical Rating Organization (NRSRO); and/or have a short-term debt rating of at least “A-1”, or its equivalent, by NRSRO. NCDs for which the full amount of the principal and the interest that may be accrued during the maximum term of each certificate is insured by federal deposit insurance are exempt from rating requirements. A maximum of 30 percent of surplus funds can be invested in Certificates of Deposit (CGC §53601(h)).

**9.5 Federal Agency Obligations.** Federal agency or United States government-sponsored enterprise obligations, participations, mortgage backed securities or other instruments, including those issued by or fully guaranteed as to principal and interest by Federal agencies or United States government-sponsored enterprises (CGC §53601 (f)). There is no limitation as to percentage of the portfolio that may be invested in this category, however, purchases of callable Federal Agency obligations are limited to a maximum of 30 percent of portfolio.

**9.6 Municipal Securities.** Registered state warrants or treasury notes or bonds of this state or any of the other 49 states, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of this state or any of the other 49 United States;

Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including the District’s bonds.

Securities must have a long-term debt rating of at least the “A” category, or its equivalent, by a NRSRO; and/or have a short term debt rating of at least “A-1”, or its equivalent, by a NRSRO. A maximum of 20 percent of the portfolio may be invested in this category.

**9.7 Bankers’ Acceptances.** Banker’s acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank; Purchases are limited to bankers’ acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System. Purchases of bankers’ acceptance may not exceed 180 days maturity. Eligible bankers’ acceptances are restricted to issuing financial institutions with a short-term debt rating of at least “A-1”, or its equivalent, by a NRSRO.

A maximum of 25 percent of the portfolio may be invested in this category.

- 9.8 Commercial Paper.** Commercial paper of “Prime” quality or the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2): \_\_\_\_\_
- (1) (i) is organized and operating in the United States as a general corporation, (ii) has total assets in excess of five hundred million dollars (\$500,000,000), and (iii) has debt other than commercial paper, if any, that is rated in at least the “A” category, or its equivalent, by a NRSRO. \_
- (2) The entity meets the following criteria: (i) is organized within the United States as a special purpose corporation, trust, or limited liability company, (ii) has programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond, (iii) has commercial paper that is rated “A-1” or the equivalent or higher by a NRSRO. \_\_\_\_\_

Eligible commercial paper shall have a maximum maturity of 270 days or less and not represent more than 10 percent of the outstanding paper of an issuing corporation. A maximum of 25 percent of the portfolio may be invested in this category.

- 9.9 Repurchase Agreements.** Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements are to be used as short-term investments not to exceed 90 days. Repurchase agreements shall be made with counterparties that are primary dealers of the Federal Reserve Bank of New York or a nationally or state-chartered bank that has or has had a significant banking relationship with District. Furthermore, the counter-party shall have the following qualifications: (i) a long-term debt rating of at least the “A” category, or its equivalent, by a NRSRO; (ii) a short-term credit rating of at least “A-1” or its equivalent, by a NRSRO; (iii) minimum assets and capital size of \$25 billion in assets and \$350 million in capital; (iv) five years of acceptable audited financial results; and (v) a strong reputation among market participants.

The District shall have a properly executed master repurchase agreement with each counter-party for which it enters into an agreement for repurchase agreements. Collateral of at least

1020 percent of market value of principal and accrued interest is required. For any repurchase agreement with a term of more than one day, the value of the underlying securities must be reviewed on an on-going basis according to market conditions. Market value must be calculated each time there is a substitution of collateral. Collateral is limited to obligations of the United States government and its agencies. Collateral must be delivered to the District's custodian bank or handled under a properly executed master repurchase agreement. The District, or its trustee, shall have a perfected first security interest in all collateral. A maximum of 10 percent of the portfolio may be invested in this category.

**9.10 Medium-Term notes.** Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States (CGC §53601 (k)). Purchases are limited to securities that have a long-term debt rating of at least the "A" category, or its equivalent, by a NRSRO. A maximum of 30 percent of the portfolio may be invested in this category.

**9.11 Mutual Funds and Money Market Mutual Funds.** ~~Shares of beneficial interest issued by diversified management companies~~ that are ~~money market funds~~ registered with the Securities and Exchange Commission under the Investment Company Act of 1940, provided that:~~(CGC 53601 (1)(2));~~

a. Mutual Funds that invest in the securities and obligations as authorized under California Government Code, Section 53601(a) to (k) and (m) to (q) inclusive and that meet either of the following criteria: 1) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs; or 2) Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code Section 53601 and with assets under management in excess of \$500 million.

A maximum of 10% of the total portfolio may be invested in the shares of any one mutual fund.

b. Money Market Mutual Funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and issued by diversified management companies and meet~~The company shall have met~~ either of the following criteria: 1) attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs or 2) retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years of experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

A maximum of 20 percent of the portfolio may be invested in the shares of any one Money Market Mutual Fund.~~this category~~

If the District has funds invested in a money market fund, a copy of the fund's information statement shall be maintained on file. In addition, the Chief Financial Officer/or Treasurer should review the fund's summary holdings on a quarterly basis.

c. No more than 20% of the total portfolio may be invested in these securities.  
~~Mutual Funds that are specifically designated for short term investments such as Floating Rate Funds are acceptable as long as they have a minimum of quarterly liquidity.~~

**9.12 Bank Deposits.** FDIC insured or fully collateralized bank deposits, including, but not limited to, demand deposit accounts, savings accounts, market rate accounts and time deposits issued by a state or national bank, savings and loan associations, or state or federal credit unions located in California (CGC §53630 et. Seq.) A written depository contract is required with all institutions that hold District deposits requiring that deposits be collateralized in accordance with CGC. The Chief Finance Officer/or Treasurer, at his/her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. Securities placed in a collateral pool must provide coverage for at least 100 percent of all deposits that are placed in that institution. Acceptable pooled coverage is governed by CGC §53651. Real estate mortgages are not considered acceptable collateral by the District, even though they are permitted in CGC §53651 (m). All financial institutions holding District deposits are required to provide the District with regular

statements of pooled collateral. The report will state they are meeting the 100 percent collateral rule, a listing of all collateral with location and market value, plus an accountability of the total amount of deposits secured by the pool. In accordance with CGC §53638, no deposit shall exceed the shareholder's equity of any depository bank, nor shall a deposit exceed the total net worth of any institution. No deposits shall be made at a state or federal credit union if a member of the Board or the General Manger or Chief Financial Officer/or Treasurer of the District services on the Board of Directors or a committee of the credit union. The maturity of time deposits (TCDs) may not exceed 4 years. There is no limit on the percentage of the portfolio that may be invested in bank deposits. However, a maximum of 20% of the portfolio may be invested in TCDs.

**9.13 Local Government Investment Pools (LGIP).** Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7. To be eligible for purchase, the pool shall meet all of the following conditions: (i) must meet the requirements of California Government Code Section 53601(p), (ii) the pool must seek to maintain a stable Net Asset Value (NAV), and (iii) the pool must be rated in at least the "AA" category, or its equivalent, by a NRSRO. A maximum of 50 percent of the portfolio may be invested in this category. Whenever the District has any funds invested in a LGIP, the Chief Financial Officer/or Treasurer shall maintain on file a copy of the pool's current information statement. In addition, the Chief Financial Officer/or Treasurer should review the pool's summary portfolio holdings on a quarterly basis.

**9.14 Supranationals.** US dollar-denominated senior unsecured unsubordinated obligations or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. The securities must be rated in the "AA" category or higher by a NRSRO. No more than 30% of the portfolio may be invested in these securities and no more than 10% per issuer. The maximum maturity is five years.

**9.149.15 Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations from issuers not defined in sections 9.1 and 9.5 of the Authorized Investments of this policy, provided that the securities are rated in a rating category of "AA" or its equivalent or higher**

by a NRSRO. No more than 20% of the total portfolio may be invested in these securities. No more than 5% of the portfolio may be invested in a single Asset-Backed or Commercial Mortgage Security Issuer. The maximum legal final maturity may not exceed five years.

**Section 10. Pooled Investment /Mutual Fund Information Requirements**

Insofar as this policy allows available funds to be deposited into pooled investment accounts, a thorough investigation of the pool is required prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives;
- A description of interest calculations and how it is distributed, and how gains and losses are treated;
- A description of how the securities are safeguarded (including the settlement processes), and how often are the securities are priced and the program audited;
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed;
- A schedule for receiving statements and portfolio listings;
- Are reserves, retained earnings, etc., utilized by the pool?
- A fee schedule, and when and how it is assessed;
- Is the pool eligible for bond proceeds and/or will it accept such proceeds?

**Section 11. Collateralization** will be required on Certificates of Deposit, unless they are FDIC insured. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 1100% of market value of principal and accrued interest.

Collateral will always be held by an independent third party with whom the District has a current written custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the District and retained. The right of collateral substitution is granted.

**Section 12. Prohibited Investments** Under provisions of CGC §53601.6 and §53651.5, the District shall not invest any funds covered by this policy in equity securities, inverse floaters, range notes, interest-only strips that are derived from a pool of mortgages, or any investment that could result in zero interest earned if held to maturity.

The purchase of any investment permitted by the Government Code, but not listed as an authorized investment in this Policy is prohibited without prior approval of the Board.



**Section 13. Safekeeping of Securities** All security transactions entered into by the District shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third-party custodian designated by the Chief Financial Officer/or Treasurer and evidenced by safekeeping receipts. [A monthly report will be received by the District from the custodian listing all securities held in safekeeping with current market data and other information.](#)

[The only exceptions to the foregoing shall be depository accounts and securities purchases made with: \(i\) local government investment pools; \(ii\) time certificates of deposit; \(iii\) mutual funds and money market mutual funds, since these securities are not deliverable.](#)

**Section 14. Risk Management, Diversification and Maximum Maturities** The District will diversify its investments by security type and institution. Assets shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Diversification shall be determined and revised periodically. Adequate diversification shall be applied to the individual issuers of debt, both within each class of investments and collectively. With the exception of U. S. Treasury securities, Federal Agency securities, LGIPFs, LAIF, CalTRUST securities, and authorized pools, no more than 50% of the District's total investment portfolio will be invested in a single security type or with a single financial institution. [No more than 5% of the total portfolio may be invested in securities issued by any single issuer with the exception of US Treasuries, US Agencies, Supranationals, LAIF, CalTRUST, money market funds, mutual funds, LGIPs, or unless otherwise specified in this investment policy.](#)

- 14.1** To the extent possible, the District will attempt to match its investments with anticipated cash flow requirements. [The District will maintain a minimum of six months of budgeted operating expenditures in short-term investments to provide sufficient liquidity for expected disbursements.](#) Unless matched to a specific cash flow, the District will not directly invest in securities maturing more than five years from the settlement date. Reserve funds may be invested in securities exceeding three years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.
- 14.2** The Chief Financial Officer/or Treasurer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.
- 14.3** [If a security owned by the District is downgraded to a level below the requirements of this policy, making the security ineligible for additional purchases, the following steps will be taken:](#)

- Any actions taken related to the downgrade by the investment manager will communicated to the Chief Financial Officer/or Treasurer in a timely manner.
- If a decision is made to retain the security, the credit situation will be monitored and reported to the Finance Committee of the Board of Directors.

**Section 15. Review of Investment Portfolio** The Chief Financial Officer/or Treasurer shall periodically, but no less than quarterly, review the portfolio to identify investments that do not comply with this investment policy and establish protocols for reporting major and critical incidences of noncompliance to the Finance Committee of the Board of Directors.

**Section 165. Performance Standards** The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and cash flow needs.

**Section 165.1.** The District's investment strategy is active. The District may sell a security prior to its maturity and record a capital gain or loss in order to manage the quality, liquidity, or yield of the portfolio in response to market conditions or the District's risk preferences. Given this strategy, the basis used by the Chief Financial Officer/or Treasurer to determine whether market yields are being achieved shall be to identify a comparable benchmark to District's portfolio investment duration.

**Section 176. Investment Reporting** The Chief Financial Officer/or Treasurer shall provide to the Finance Committee of the Board of Directors monthly investment reports that provide a clear picture of the status of the current investment portfolio. The Management Report should include comments on the fixed income markets and economic conditions, discussions regarding restrictions on percentage of investment by categories, possible changes in the portfolio structure going forward, and thoughts on investment strategies.

Schedules in the monthly report should include the following:

- A listing of individual securities held at the end of the reporting period by authorized investment category
- Average life and final maturity of all investments lists
- Coupon, discount, or earnings rate
- Par value, amortized book value and market value
- Percentage of the portfolio represented by each investment category
- Transactions for the period

|        **Section 187. Policy Adoption and Review** The District's investment policy shall be adopted by resolution of the District's Board. The policy shall be reviewed annually by the Board and any modifications made thereto must be approved by the Board.

|        **Section 198. Glossary.** See attached Glossary.

|        **Section 2019. Resolution.** This Resolution shall take effect immediately upon its adoption.

The foregoing Resolution was duly adopted at a Regular Meeting of the Board of Directors of West Valley Water District by motion made, seconded, and duly carried on

**ROLL CALL:**

<b>AYES:</b>	<b>DIRECTORS:</b>
<b>NOES:</b>	<b>DIRECTORS:</b>
<b>ABSENT:</b>	<b>DIRECTORS:</b>
<b>ABSTAIN:</b>	<b>DIRECTORS:</b>

**WEST VALLEY WATER DISTRICT**

Channing Hawkins~~Dr. Clifford O. Young,~~

Sr

President of the Board

**ATTEST:**

Peggy Asche~~Crystal L. Escalera, Interim~~ Board Secretary



## GLOSSARY

**AGENCIES.** Federal agency securities and/or Government-sponsored enterprises.

**ASKED.** The price at which securities are offered.

**ASSET-BACKED SECURITIES (ABS).** Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

**BANKERS' ACCEPTANCES.** A money market instrument created to facilitate international trade transactions. It is highly liquid and the risk of the trade transactions is transferred to the bank which "accepts" the obligation to pay the investor.

**BENCHMARK.** A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

**CERTIFICATE OF DEPOSIT (CD).** A time deposit with a specific maturity evidenced by a certificate. ~~Large denomination CD's are typically negotiable.~~

**COLLATERAL.** Securities, evidence of deposit, or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**COLLATERALIZED MORTGAGE OBLIGATION (CMO).** Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

**COMMERCIAL PAPER.** The short-term unsecured debt of corporations.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR).** An official annual report of a local government. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory materials, and detailed Statistical Section.

**COUPON.** (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

**DELIVERY VERSUS PAYMENT.** There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

**DISCOUNT.** The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**DISCOUNT SECURITIES.** Non-interest bearing money market instruments that are issued a discount and redeemed at maturity for full face value (U. S. Treasury Bills).

**DIVERSIFICATION.** Dividing investment funds among a variety of securities offering independent returns.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC).** A federal agency that insures bank deposits, currently up to \$250,000 per deposit.

**FEDERAL HOME LOAN BANKS (FHLB).** Government sponsored wholesale banks (currently 12 regional banks) that lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

**LOCAL GOVERNMENT INVESTMENT FUND (LAIF).** A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

**LOCAL GOVERNMENT INVESTMENT POOL.** Investment pools that range from LAIF to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

**LIQUIDITY.** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

**LOCAL GOVERNMENT INVESTMENT POOL.** The aggregate of all funds from political subdivisions that are placed in the custody of the State Chief Financial Officer for investment and reinvestment.

**MARKET VALUE.** The price at which a security is trading and could presumably be purchased or sold.

**MATURITY.** The date upon which the principal of stated value of an investment becomes due and payable.

**MONEY MARKET.** The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

**MONEY MARKET MUTUAL FUND.** A mutual fund that invests exclusively in short-term securities that comply with SEC Rule 2a-7. Money market mutual funds attempt to keep their net asset values at \$1 per share.

**MORTGAGE PASS-THROUGH SECURITIES.** A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

**MUNICIPAL SECURITIES.** Securities issued by state and local agencies to finance capital and operating expenses.

**MUTUAL FUNDS.** Entities that pool the funds of investors and invest those funds in a set of securities which are specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus.

**NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO).** A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating agencies to provide them with ratings. The three most prominent NRSROs are Moody's, S&P, and Fitch.

**NEGOTIABLE CERTIFICATE OF DEPOSIT (NCD).** A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market.

**PORTFOLIO.** Collection of securities held by an investor.

**PRUDENT PERSON RULE.** An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state, the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

**RATE OF RETURN.** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current incomes return.

**REPURCHASE AGREEMENT.** Short-term purchases of securities with simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

**SAFEKEEPING.** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**STRUCTURED NOTES.** Notes issued by Government Sponsored Enterprises (FHLB) and corporations that have imbedded options (call features, etc.) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

**SUPRANATIONAL.** A multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

**TREASURY BILLS.** A non-interest bearing discount security issued by the U. S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

**TREASURY BONDS.** Long-term coupon-bearing U. S. Treasury securities issued as direct obligations of the U. S. Government and having initial maturities of more than 10 years.

**TREASURY NOTES.** Medium-term coupon-bearing U. S. Treasury securities issued as direct obligations of the U. S. Government and having initial maturities from two to 10 years.

**YIELD.** The rate of annual income return on an investment, expressed as a percentage. (a) Income Yield is obtained by dividing the current dollar income by the current market price for the security, (b) Net Yield or Yield to maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.



# EXHIBIT B

**RESOLUTION NO. 2021-5  
RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE WEST VALLEY WATER DISTRICT  
ADOPTING THE ANNUAL INVESTMENT POLICY  
AMENDING RESOLUTION NO. 2018-8**

**WHEREAS**, pursuant to State law, the Chief Financial Officer/or Treasurer of the West Valley Water District (“District”) shall annually prepare and submit a statement of investment policy and such policy and any changes thereto, shall be considered by the legislative body at a public meeting;

**NOW, THEREFORE**, the Board of Directors (“Board”) of the District does hereby resolve and determine as follows:

**Section 1. Policy** It is the policy of the District to invest public funds in a manner which will provide the highest investment return with the maximum security, while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds.

**Section 2. Scope** This investment policy applies to all financial assets of the District. These funds are accounted for in the District’s audited Comprehensive Annual Financial Report (CAFR) and include:

**2.1 Funds:**

- 2.1.1 General Fund
- 2.1.2 Any new fund created by the District, unless specifically exempted

**2.2 Funds Excluded From This Policy**

- 2.2.1 Public Employees Retirement Fund
- 2.2.2 Deferred Compensation
- 2.2.3 West Valley Water District Water Revenue Refunding Bonds, Series 2016A
- 2.2.4 Any Restricted Funds

**Section 3. Prudence** Pursuant to California Government Code, Section 53600.3, all persons authorized to make investment decisions on behalf of the Agency are trustees and therefore fiduciaries subject to the *Prudent Investor Standard*:

“...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act

with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

**Section 4. Investment Objectives** The primary objectives, in priority order, of the District’s investment activities shall be:

**4.1 Safety.** Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the District will diversify its investments by investing funds among independent financial institutions offering a variety of securities offering independent returns. Investments shall be made with the aim of avoiding capital losses due to issuer default, broker-dealer default or market value erosion.

**4.2 Liquidity.** The District’s investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements which are reasonably anticipated.

**4.3 Return on Investment.** The District’s investment portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, commensurate with the District’s investment risk constraints and the cash flow characteristics of the portfolio.

**Section 5. Delegation of Authority.** Authority to manage the District’s investment program is derived from California Government Code, Section 53607. Management responsibility for the investment program is hereby delegated to the General Manager and Chief Financial Officer/or Treasurer, who shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials, and their procedures in their absence.

The Board of Directors, the General Manager, the Assistant General Manager, and the Chief Financial Officer/or Treasurer shall be signatories on all accounts, to access accounts for these and other authorized investments consistent with this investment policy.

The Chief Financial Officer/or Treasurer may retain the services of an outside investment advisor or manager as approved by the Board to assist with the District's investment program. Qualified outside managers will be either SEC Registered Investment Advisors or Bank Money Managers. The investment advisor shall make all investment decisions and transactions in strict accordance with State and Federal law, this Policy and such other written instructions as are provided. The performance and service levels of investment advisors and managers shall be reviewed annually.

The District's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The District recognizes that in a diversified portfolio, occasional measured losses may be inevitable and must be considered within the context of the overall portfolio's return and the cash flow requirements of the District.

**5.1 Investment Procedures.** The Chief Financial Officer/or Treasurer shall establish written investment policy procedures for the operation of the investment program consistent with this policy. The procedures should include reference to: safekeeping, wire transfer agreements, banking service contracts and collateral/depository agreements, and cash flow forecasting. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Chief Financial Officer/or Treasurer.

**Section 6. Internal Controls.** The Chief Financial Officer/or Treasurer shall establish a system of internal controls designed to prevent losses due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, and/or imprudent actions by employees of the District. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes the (1) cost of control should not exceed the benefits likely to be derived and (2) the value of costs and benefits requires estimates and judgements by management. Compliance with this policy and internal controls shall be reviewed annually by the District's independent, external auditors as part of its normal audit procedures.

Any investment activity outside of the District's Financial Advisor's recommendation shall require approval by both the Chief Financial Officer and the General Manager.

Written operational and investment procedures consistent with this Policy shall be established and include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under this Policy and the established procedures.

**Section 7. Ethics and Conflicts of Interest** Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Board any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the District. Employees and officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the District.

**Section 8. Authorized Broker-Dealer** the Chief Financial Officer/or Treasurer will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers, selected by credit worthiness, who are authorized to provide investment services in the State of California. These may include “primary” dealers, or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by California laws. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Chief Financial Officer/or Treasurer with the following:

- 8.1 Must be in business for at least three (3) years
- 8.2 Proof of Financial Industry Regulatory Authority (FINRA) certification (not applicable to Certificate of Deposit counterparties)
- 8.3 Proof of national Association of Security Dealers certification.
- 8.4 Proof of California registration
- 8.5 Certification of having read and understood and agreeing to comply with the District’s investment policy and depository contracts.
- 8.6 Evidence of adequate insurance coverage.

An annual review of the financial condition and registrations of qualified bidders will be conducted by the Chief Financial Officer/or Treasurer. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the District invests. Broker/dealers utilized by an external investment adviser will be at the sole discretion of the adviser.

**Section 9. Authorized Investments** From the Board of Director’s perspective, special care must be taken to ensure that the list of instruments includes only those allowed by law and those that the District Chief Financial Officer/or Treasurer is trained and competent to handle. Concentration and credit limits apply at the time the security is purchased.

The District is empowered by statute to invest in the following types of securities:



- 9.1 United States Treasury Issues.** United States Treasury notes, bonds, bills or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest (CGC §53601(b)) There's no limitation as to the percentage of the portfolio that may be invested in this category, however, maximum investment maturities are limited to up to five years;
- 9.2 State of California Local Agency Investment Fund (LAIF).** The District may invest in the Local Agency Investment Fund established by the State Treasurer for the benefit of local agencies (CGC §16429.1). The fund must have 24 hour liquidity. There is no limitation on the percentage of the District portfolio that may be invested in this category;
- 9.3 The Investment Trust of California (CalTRUST).** The Investment Trust of California (CalTRUST) is a local government investment pool organized as a joint powers authority pursuant to California Government Code Section 6509.7 Shares of beneficial interest issued by the Investment Trust of California (CalTRUST), which invests in securities and obligations eligible for direct investment by local agencies pursuant to California Government Code Section 53601. There are four different funds that are available. They are:
1. Government Money Market Fund
  2. Heritage Money Market Fund
  3. CalTRUST Short term fund
  4. CalTRUST Medium term fund
- Investment of District funds in CalTRUST shall be subject to investigation and due diligence prior to investing. No limit will be placed on the percentage total in this category
- 9.4 Negotiable Certificates of Deposit.** Negotiable Certificates of Deposit (NCDs) issued by a nationally or state chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases are limited to institutions that have a long-term debt rating of at least the "A" category or its equivalent, by a Nationally Recognized Statistical Rating Organization (NRSRO); and/or have a short-term debt rating of at least "A-1", or its equivalent, by NRSRO. NCDs for which the full amount of the principal and the interest that may be accrued during the maximum term of each certificate is insured by federal deposit insurance are exempt from rating requirements. A maximum of 30 percent of surplus funds can be invested in Certificates of Deposit (CGC §53601(h)).

**9.5 Federal Agency Obligations.** Federal agency or United States government-sponsored enterprise obligations, participations, mortgage backed securities or other instruments, including those issued by or fully guaranteed as to principal and interest by Federal agencies or United States government-sponsored enterprises (CGC §53601 (f)). There is no limitation as to percentage of the portfolio that may be invested in this category, however, purchases of callable Federal Agency obligations are limited to a maximum of 30 percent of portfolio.

**9.6 Municipal Securities.** Registered state warrants or treasury notes or bonds of this state or any of the other 49 states, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of this state or any of the other 49 United States;

Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including the District's bonds.

Securities must have a long-term debt rating of at least the "A" category, or its equivalent, by a NRSRO; and/or have a short term debt rating of at least "A-1", or its equivalent, by a NRSRO. A maximum of 20 percent of the portfolio may be invested in this category.

**9.7 Bankers' Acceptances.** Banker's acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank; Purchases are limited to bankers' acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System. Purchases of bankers' acceptance may not exceed 180 days maturity. Eligible bankers' acceptances are restricted to issuing financial institutions with a short-term debt rating of at least "A-1", or its equivalent, by a NRSRO. A maximum of 25 percent of the portfolio may be invested in this category.

**9.8 Commercial Paper.** Commercial paper of "Prime" quality or the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2):

(1) (i) is organized and operating in the United States as a general corporation, (ii) has total assets in excess of five hundred million dollars (\$500,000,000), and (iii) has debt other than commercial paper, if any, that is rated in at least the “A” category, or its equivalent, by a NRSRO.

(2) The entity meets the following criteria: (i) is organized within the United States as a special purpose corporation, trust, or limited liability company, (ii) has programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond, (iii) has commercial paper that is rated “A-1” or the equivalent or higher by a NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less and not represent more than 10 percent of the outstanding paper of an issuing corporation. A maximum of 25 percent of the portfolio may be invested in this category.

## 9.9

**Repurchase Agreements.** Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements are to be used as short-term investments not to exceed 90 days. Repurchase agreements shall be made with counterparties that are primary dealers of the Federal Reserve Bank of New York or a nationally or state-chartered bank that has or has had a significant banking relationship with District. Furthermore, the counter-party shall have the following qualifications: (i) a long-term debt rating of at least the “A” category, or its equivalent, by a NRSRO; (ii) a short-term credit rating of at least “A-1” or its equivalent, by a NRSRO; (iii) minimum assets and capital size of \$25 billion in assets and \$350 million in capital; (iv) five years of acceptable audited financial results; and (v) a strong reputation among market participants.

The District shall have a properly executed master repurchase agreement with each counter-party for which it enters into an agreement for repurchase agreements. Collateral of at least 102 percent of market value of principal and accrued interest is required. For any repurchase agreement with a term of more than one day, the value of the underlying securities must be reviewed on an on-going basis according to market conditions. Market value must be calculated each time there is a substitution of collateral. Collateral is limited to obligations of the United States government and its agencies. Collateral must be delivered to the District’ custodian bank or handled

under a properly executed master repurchase agreement. The District, or its trustee, shall have a perfected first security interest in all collateral. A maximum of 10 percent of the portfolio may be invested in this category.

**9.10 Medium-Term notes.** Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States (CGC §53601 (k)). Purchases are limited to securities that have a long-term debt rating of at least the “A” category, or its equivalent, by a NRSRO. A maximum of 30 percent of the portfolio may be invested in this category.

**9.11 Mutual Funds and Money Market Mutual Funds.** that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940, provided that:

a. Mutual Funds that invest in the securities and obligations as authorized under California Government Code, Section 53601(a) to (k) and (m) to (q) inclusive and that meet either of the following criteria: 1) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs; or 2) Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years’ experience investing in the securities and obligations authorized by California Government Code Section 53601 and with assets under management in excess of \$500 million.

A maximum of 10% of the total portfolio may be invested in the shares of any one mutual fund.

b. Money Market Mutual Funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and issued by diversified management companies and meet either of the following criteria: 1) attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs or 2) retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years of experience managing money market mutual

funds with assets under management in excess of five hundred million dollars (\$500,000,000).

A maximum of 20 percent of the portfolio may be invested in the shares of any one Money Market Mutual Fund.

If the District has funds invested in a money market fund, a copy of the fund's information statement shall be maintained on file. In addition, the Chief Financial Officer/or Treasurer should review the fund's summary holdings on a quarterly basis.

c. No more than 20% of the total portfolio may be invested in these securities.

**9.12 Bank Deposits.** FDIC insured or fully collateralized bank deposits, including, but not limited to, demand deposit accounts, savings accounts, market rate accounts and time deposits issued by a state or national bank, savings and loan associations, or state or federal credit unions located in California (CGC §53630 et. Seq.) A written depository contract is required with all institutions that hold District deposits requiring that deposits be collateralized in accordance with CGC. The Chief Finance Officer/or Treasurer, at his/her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. Securities placed in a collateral pool must provide coverage for at least 100 percent of all deposits that are placed in that institution. Acceptable pooled coverage is governed by CGC §53651. Real estate mortgages are not considered acceptable collateral by the District, even though they are permitted in CGC §53651 (m). All financial institutions holding District deposits are required to provide the District with regular statements of pooled collateral. The report will state they are meeting the 100 percent collateral rule, a listing of all collateral with location and market value, plus an accountability of the total amount of deposits secured by the pool. In accordance with CGC §53638, no deposit shall exceed the shareholder's equity of any depository bank, nor shall a deposit exceed the total net worth of any institution. No deposits shall be made at a state or federal credit union if a member of the Board or the General Manger or Chief Financial Officer/or Treasurer of the District services on the Board of Directors or a committee of the credit union. The maturity of time deposits (TCDs) may not exceed 4 years. There is no limit on the percentage of the portfolio that may be



invested in bank deposits. However, a maximum of 20% of the portfolio may be invested in TCDs.

- 9.13 Local Government Investment Pools (LGIP).** Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7. To be eligible for purchase, the pool shall meet all of the following conditions: (i) must meet the requirements of California Government Code Section 53601(p), (ii) the pool must seek to maintain a stable Net Asset Value (NAV), and (iii) the pool must be rated in at least the “AA” category, or its equivalent, by a NRSRO. A maximum of 50 percent of the portfolio may be invested in this category. Whenever the District has any funds invested in a LGIP, the Chief Financial Officer/or Treasurer shall maintain on file a copy of the pool’s current information statement. In addition, the Chief Financial Officer/or Treasurer should review the pool’s summary portfolio holdings on a quarterly basis.
- 9.14 Supranationals.** US dollar-denominated senior unsecured unsubordinated obligations or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. The securities must be rated in the “AA” category or higher by a NRSRO. No more than 30% of the portfolio may be invested in these securities and no more than 10% per issuer. The maximum maturity is five years.
- 9.15 Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations from issuers not defined in sections 9.1 and 9.5 of the Authorized Investments of this policy,** provided that the securities are rated in a rating category of “AA” or its equivalent or higher by a NRSRO. No more than 20% of the total portfolio may be invested in these securities. No more than 5% of the portfolio may be invested in a single Asset-Backed or Commercial Mortgage Security Issuer. The maximum legal final maturity may not exceed five years.

#### **Section 10. Pooled Investment /Mutual Fund Information Requirements**

Insofar as this policy allows available funds to be deposited into pooled investment accounts, a thorough investigation of the pool is required prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives;
- A description of interest calculations and how it is distributed, and how gains and losses are treated;
- A description of how the securities are safeguarded (including the settlement processes), and how often are the securities are priced and the program audited;
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed;
- A schedule for receiving statements and portfolio listings;
- Are reserves, retained earnings, etc., utilized by the pool?
- A fee schedule, and when and how it is assessed;
- Is the pool eligible for bond proceeds and/or will it accept such proceeds?

**Section 11. Collateralization** will be required on Certificates of Deposit, unless they are FDIC insured. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 110% of market value of principal and accrued interest.

Collateral will always be held by an independent third party with whom the District has a current written custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the District and retained. The right of collateral substitution is granted.

**Section 12. Prohibited Investments** Under provisions of CGC §53601.6 and §53651.5, the District shall not invest any funds covered by this policy in equity securities, inverse floaters, range notes, interest-only strips that are derived from a pool of mortgages, or any investment that could result in zero interest earned if held to maturity.

The purchase of any investment permitted by the Government Code, but not listed as an authorized investment in this Policy is prohibited without prior approval of the Board.

**Section 13. Safekeeping of Securities** All security transactions entered into by the District shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third-party custodian designated by the Chief Financial Officer/or Treasurer and evidenced by safekeeping receipts. A monthly report will be received by the District from the custodian listing all securities held in safekeeping with current market data and other information.

The only exceptions to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit; (iii) mutual funds and money market mutual funds, since these securities are not deliverable.

**Section 14. Risk Management, Diversification and Maximum Maturities** The District will diversify its investments by security type and institution. Assets shall be

diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Diversification shall be determined and revised periodically. Adequate diversification shall be applied to the individual issuers of debt, both within each class of investments and collectively. With the exception of U. S. Treasury securities, Federal Agency securities, LGIPs, LAIF, CalTRUST securities, and authorized pools, no more than 50% of the District's total investment portfolio will be invested in a single security type or with a single financial institution. No more than 5% of the total portfolio may be invested in securities issued by any single issuer with the exception of US Treasuries, US Agencies, Supranationals, LAIF, CalTRUST, money market funds, mutual funds, LGIPs, or unless otherwise specified in this investment policy.

- 14.1 To the extent possible, the District will attempt to match its investments with anticipated cash flow requirements. The District will maintain a minimum of six months of budgeted operating expenditures in short-term investments to provide sufficient liquidity for expected disbursements. Unless matched to a specific cash flow, the District will not directly invest in securities maturing more than five years from the settlement date. Reserve funds may be invested in securities exceeding three years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.
- 14.2 The Chief Financial Officer/or Treasurer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.
- 14.3 If a security owned by the District is downgraded to a level below the requirements of this policy, making the security ineligible for additional purchases, the following steps will be taken:
  - Any actions taken related to the downgrade by the investment manager will be communicated to the Chief Financial Officer/or Treasurer in a timely manner.

If a decision is made to retain the security, the credit situation will be monitored and reported to the Finance Committee of the Board of Directors.

**Section 15. Review of Investment Portfolio** The Chief Financial Officer/or Treasurer shall periodically, but no less than quarterly, review the portfolio to identify investments that do not comply with this investment policy and establish protocols for reporting major and critical incidences of noncompliance to the Finance Committee of the Board of Directors.

**Section 16. Performance Standards** The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and cash flow needs.

**Section 16.1.** The District's investment strategy is active. The District may sell a security prior to its maturity and record a capital gain or loss in order to manage the quality, liquidity, or yield of the portfolio in response to market conditions or the District's risk preferences. Given this strategy, the basis used by the Chief Financial Officer/or Treasurer to determine whether market yields are being achieved shall be to identify a comparable benchmark to District's portfolio investment duration.

**Section 17. Investment Reporting** The Chief Financial Officer/or Treasurer shall provide to the Finance Committee of the Board of Directors monthly investment reports that provide a clear picture of the status of the current investment portfolio. The Management Report should include comments on the fixed income markets and economic conditions, discussions regarding restrictions on percentage of investment by categories, possible changes in the portfolio structure going forward, and thoughts on investment strategies.

Schedules in the monthly report should include the following:

- A listing of individual securities held at the end of the reporting period by authorized investment category
- Average life and final maturity of all investments lists
- Coupon, discount, or earnings rate
- Par value, amortized book value and market value
- Percentage of the portfolio represented by each investment category
- Transactions for the period

**Section 18. Policy Adoption and Review** The District's investment policy shall be adopted by resolution of the District's Board. The policy shall be reviewed annually by the Board and any modifications made thereto must be approved by the Board.

**Section 19. Glossary.** See attached Glossary.

**Section 20. Resolution.** This Resolution shall take effect immediately upon its adoption.

The foregoing Resolution was duly adopted at a Regular Meeting of the Board of Directors of West Valley Water District by motion made, seconded, and duly carried on

**ROLL CALL:**

<b>AYES:</b>	<b>DIRECTORS:</b>
<b>NOES:</b>	<b>DIRECTORS:</b>
<b>ABSENT:</b>	<b>DIRECTORS:</b>
<b>ABSTAIN:</b>	<b>DIRECTORS:</b>

**WEST VALLEY WATER DISTRICT**

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Channing Hawkins  
President of the Board

**ATTEST:**

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Peggy Asche, Board Secretary



## GLOSSARY

**AGENCIES.** Federal agency securities and/or Government-sponsored enterprises.

**ASKED.** The price at which securities are offered.

**ASSET-BACKED SECURITIES (ABS).** Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

**BANKERS' ACCEPTANCES.** A money market instrument created to facilitate international trade transactions. It is highly liquid and the risk of the trade transactions is transferred to the bank which "accepts" the obligation to pay the investor.

**BENCHMARK.** A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

**CERTIFICATE OF DEPOSIT (CD).** A time deposit with a specific maturity evidenced by a certificate.

**COLLATERAL.** Securities, evidence of deposit, or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**COLLATERALIZED MORTGAGE OBLIGATION (CMO).** Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

**COMMERCIAL PAPER.** The short-term unsecured debt of corporations.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR).** An official annual report of a local government. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory materials, and detailed Statistical Section.

**COUPON.** (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

**DELIVERY VERSUS PAYMENT.** There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

**DISCOUNT.** The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**DISCOUNT SECURITIES.** Non-interest bearing money market instruments that are issued a discount and redeemed at maturity for full face value (U. S. Treasury Bills).

**DIVERSIFICATION.** Dividing investment funds among a variety of securities offering independent returns.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC).** A federal agency that insures bank deposits, currently up to \$250,000 per deposit.

**FEDERAL HOME LOAN BANKS (FHLB).** Government sponsored wholesale banks (currently 12 regional banks) that lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

**LOCAL GOVERNMENT INVESTMENT FUND (LAIF).** A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

**LOCAL GOVERNMENT INVESTMENT POOL.** Investment pools that range from LAIF to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

**LIQUIDITY.** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

**LOCAL GOVERNMENT INVESTMENT POOL.** The aggregate of all funds from political subdivisions that are placed in the custody of the State Chief Financial Officer for investment and reinvestment.

**MARKET VALUE.** The price at which a security is trading and could presumably be purchased or sold.

**MATURITY.** The date upon which the principal of stated value of an investment becomes due and payable.

**MONEY MARKET.** The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

**MONEY MARKET MUTUAL FUND.** A mutual fund that invests exclusively in short-term securities that comply with SEC Rule 2a-7. Money market mutual funds attempt to keep their net asset values at \$1 per share.

**MORTGAGE PASS-THROUGH SECURITIES.** A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

**MUNICIPAL SECURITIES.** Securities issued by state and local agencies to finance capital and operating expenses.

**MUTUAL FUNDS.** Entities that pool the funds of investors and invest those funds in a set of securities which are specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus.

**NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO).** A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating agencies to provide them with ratings. The three most prominent NRSROs are Moody's, S&P, and Fitch.

**NEGOTIABLE CERTIFICATE OF DEPOSIT (NCD).** A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market.

**PORTFOLIO.** Collection of securities held by an investor.

**PRUDENT PERSON RULE.** An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state, the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

**RATE OF RETURN.** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current incomes return.

**REPURCHASE AGREEMENT.** Short-term purchases of securities with simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

**SAFEKEEPING.** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**STRUCTURED NOTES.** Notes issued by Government Sponsored Enterprises (FHLB) and corporations that have imbedded options (call features, etc.) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

**SUPRANATIONAL.** A multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

**TREASURY BILLS.** A non-interest bearing discount security issued by the U. S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

**TREASURY BONDS.** Long-term coupon-bearing U. S. Treasury securities issued as direct obligations of the U. S. Government and having initial maturities of more than 10 years.

**TREASURY NOTES.** Medium-term coupon-bearing U. S. Treasury securities issued as direct obligations of the U. S. Government and having initial maturities from two to 10 years.

**YIELD.** The rate of annual income return on an investment, expressed as a percentage. (a) Income Yield is obtained by dividing the current dollar income by the current market price for the security, (b) Net Yield or Yield to maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

### REIMBURSEMENT RESOLUTION

WHEREAS, the WEST VALLEY WATER DISTRICT (the "Agency") desires to finance the costs of  
*(Agency Name)*

constructing and/or reconstructing certain public facilities and improvements relating to its water system, including certain treatment facilities, pipelines and other infrastructure (the "Project"); and

WHEREAS, the Agency intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board (State Water Board); and

WHEREAS, the State Water Board may fund the Project Funds with proceeds from the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"), and

WHEREAS, prior to either the issuance of the Obligations or the approval by the State Water Board of the Project Funds the Agency desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available moneys of the Agency; and

WHEREAS, the Agency has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the Agency for the Expenditures from the proceeds of the Obligations.

NOW, THEREFORE, THE AGENCY DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

SECTION 1. The Agency hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.

SECTION 2. The reasonably expected maximum principal amount of the Project Funds is \$ 47,800,000.

SECTION 3. This resolution is being adopted no later than 60 days after the date on which the Agency will expend moneys for the construction portion of the Project costs to be reimbursed with Project Funds.

SECTION 4. Each Agency expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.

SECTION 5. To the best of our knowledge, this Agency is not aware of the previous adoption of official intents by the Agency that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 6. This resolution is adopted as official intent of the Agency in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

SECTION 7. All the recitals in this Resolution are true and correct and this Agency so finds, determines and represents.

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

### CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the \_\_\_\_\_ held on \_\_\_\_\_.  
*(Governing Board of the Agency)* *(Date)*

*(Name, Signature, and Seal of the Clerk or Authorized Record Keeper of the Governing Board of the Agency)*



**BOARD OF DIRECTORS  
STAFF REPORT**

**DATE:** May 6, 2021  
**TO:** Board of Directors  
**FROM:** Shamindra Manbahal, Interim General Manager  
**SUBJECT:** AGREEMENT WITH METROPOLITAN WATER DISTRICT, SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT, AND INLAND EMPIRE UTILITIES AGENCY FOR STATE WATER PROJECT WATER

---

**BACKGROUND:**

Well No. 54 is located at 5101 Coyote Canyon Road in Fontana and is the primary source of supply to the eastern part of the City of Fontana (Fontana). West Valley Water District (District) has approximately 1,400 service connections located within Fontana. These connections are within the Inland Empire Utilities Agency's (IEUA) service boundary in the Rialto-Colton Basin, and are outside the San Bernardino Valley Municipal Water District's (Valley District) service boundary. It is imperative that the District identifies an alternative water source within IEUA's service boundary to meet the demand for these parcels. Therefore, District staff has requested assistance from IEUA to arrange and supply imported State Water Project Water (SWP) on an as-needed basis.

District staff has worked with Metropolitan Water District (MWD), IEUA and Valley District to develop a four-party agreement utilizing Valley District existing connection on the San Gabriel Valley Devil Canyon – Azusa Pipeline to deliver untreated SPW from the MWD to the Oliver P. Roemer Water Treatment Plant for treatment before delivering to Fontana. Additionally, the agreement provides for backup/emergency water supply during unexpected equipment failures, maintenance activities, or emergency circumstances. Upon execution, this agreement is effective as of January 1, 2021 and terminates on December 31, 2035. A party may terminate this agreement by providing at least 30 days written notice to all the other parties. Attached as **Exhibit A** is the draft agreement.

**DISCUSSION:**

District staff and legal counsel have reviewed the draft agreement to provide SPW to the District to serve Fontana and determined that it would benefit the District by assuring availability of a backup/emergency water supply.

**FISCAL IMPACT:**

There is no immediate fiscal impact associated with this item. The District will reimburse IEUA for all payments made by IEUA to MWD under this agreement. IEUA will pay MWD's rate for full service untreated water in effect at the time of the delivery of the water to Valley District's



connection for use within IEUA's service area by District customers. The delivery is subject to the capacity charge, readiness-to-serve charge, and all volumetric water rates.

**STAFF RECOMMENDATION:**

Staff recommends that this item be submitted for consideration, and that the Board of Directors approve this item and authorize the Acting General Manager to execute the necessary documents.

Respectfully Submitted,

*Shamindra Manbahal*

---

Shamindra Manbahal, Interim General Manager

SM:jc

**ATTACHMENT(S):**

1. Exhibit A - Agreement

**MEETING HISTORY:**

04/14/21      Engineering, Operations and Planning Committee      REFERRED TO BOARD

# EXHIBIT A

**AGREEMENT TO PROVIDE ASSISTANCE TO  
WEST VALLEY WATER DISTRICT**

This Agreement to Provide Assistance to West Valley Water District (Agreement) is entered by The Metropolitan Water District of Southern California (Metropolitan), West Valley Water District (West Valley), San Bernardino Valley Municipal Water District (Valley District), and Inland Empire Utilities Agency (IEUA), collectively the “Parties.”

**RECITALS**

A. Metropolitan is a metropolitan water district organized under the Metropolitan Water District Act, codified at section 109-1, et seq. of West’s Appendix to the California Water Code, and is engaged in developing, storing, and distributing water in the counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura. Metropolitan has an existing agreement with San Gabriel Valley Municipal Water District that allows for the delivery of water through the San Gabriel Valley Devil Canyon – Azusa Pipeline, of which Valley District also has 50% of capacity right up to Riverside Avenue in the City of Rialto.

B. West Valley is a County Water District, a public agency of the State of California, providing retail water to approximately 95,000 customers. West Valley’s service area overlaps five political jurisdictions: The Cities of Rialto, Fontana, Colton, and Jurupa Valley; and unincorporated areas of San Bernardino County, including the community of Bloomington.

C. Valley District is a public agency incorporated under the Municipal Water District Act of 1911 (California Water Code Section 71000 et seq., as amended) that is engaged in wholesale delivery of water in portions of the counties of San Bernardino and Riverside. Valley District is a State Water Contractor that primarily imports water into its service area through the State Water Project. Valley District has an existing connection on the San Gabriel Valley Devil Canyon – Azusa Pipeline that can also be used to deliver imported supplies from Metropolitan to a portion of West Valley’s service area that overlaps with IEUA’s service area.

D. IEUA is a Municipal Water District organized and existing pursuant to Section 71000, et seq. of the California Water Code and is authorized to secure and supply wholesale supplemental imported water to the western portion of the San Bernardino County. West Valley

is not a retail agency of IEUA but a portion of their service area is located within IEUA's service area.

E. In 2018, the Parties entered into a short-term agreement to provide up to 800 acre-feet of water per year to West Valley's customers in the eastern part of the City of Fontana that is within IEUA's service area due to a West Valley groundwater well that was temporarily taken out of service on May 24, 2018 for service and modifications. IEUA does not have infrastructure in place to deliver water to this part of its service area. Metropolitan delivered 800 acre-feet of water to Valley District and Valley District delivered that water to West Valley, on behalf of IEUA, pursuant to that agreement, which expired on December 31, 2020.

F. The Parties desire to enter into this Agreement in order to provide water to West Valley's service area in the eastern part of the City of Fontana within IEUA's service area in the event of outages, emergencies, or when there is a loss of local supply.

### **AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing recitals and the representations, warranties, covenants, and agreements contained in this Agreement and for other good and valuable consideration, the Parties hereby agree to the following terms and conditions of this Agreement.

1. Requests for Assistance. West Valley may request water deliveries during outages, emergencies, or when there is a loss of local supply. West Valley will coordinate with IEUA and Valley District on the monthly amount of imported water needed from Metropolitan. After coordinating with West Valley, IEUA will request delivery of water from Metropolitan and Valley District on behalf of West Valley.

2. Metropolitan Deliveries. To the extent there is sufficient unused capacity in the San Gabriel Valley Devil Canyon-Azusa Pipeline, Metropolitan will deliver the water to Valley District at Valley District's connection (Lytle Creek, Station, 1747+00) on the San Gabriel Valley Devil Canyon – Azusa Pipeline. The maximum amount of water that Metropolitan may deliver under this Agreement is 1,500 acre-feet per calendar year.

3. Valley District Deliveries. Valley District will deliver the water to West Valley and West Valley will provide the water to its customers within IEUA's service area.

4. Monthly Amounts. West Valley will coordinate with IEUA on the monthly amount of water requested. IEUA will provide to Metropolitan and Valley District the amounts of water delivered by 3:00 p.m. on the fifth business day after the end of the month to account for the supplies. Reconciliation of water deliveries will be allowed in subsequent monthly accounting.

5. Billing and Payment. IEUA will pay Metropolitan's rate for full service untreated water in effect at the time of the delivery of the water to Valley District's connection for use within IEUA's service area by West Valley customers. The delivery is subject to the capacity charge, readiness-to-serve charge, and all volumetric water rates in the same manner as deliveries made to IEUA through Metropolitan's distribution system and connections. Metropolitan will bill IEUA, and IEUA will pay Metropolitan, in accordance with the billing and payment provisions of Metropolitan's Administrative Code, as amended over time. West Valley will pay IEUA both IEUA and Metropolitan's fees, rates and charges as assessed by Metropolitan under this Agreement and in accordance with the provisions per IEUA Ordinance 104. Valley District shall have no responsibility for the cost of such water delivered to Valley District's connection for use within IEUA's service area by West Valley customers.

6. Department of Water Resources. Metropolitan will be responsible for any Department of Water Resources charges for the State Water Project supplies delivered to Valley District's connection under this Agreement.

7. Term. Upon execution, this Agreement is effective as of January 1, 2021 and terminates on December 31, 2035, unless cancelled in accordance with Section 8.

8. Cancellation. A Party may terminate this Agreement by providing at least 30 days written notice to all the other Parties.

9. Liability and Indemnification. Liability and indemnification shall be governed by section 4502 of Metropolitan's Administrative Code. Valley District and West Valley agree to the applicability of section 4502 of Metropolitan's Administrative Code in the same manner as that section applies to IEUA.

10. No Third-Party Rights. This Agreement is made solely for the benefit of the Parties and their respective permitted successors and assigns (if any). Except for such a permitted successor or assign, no other person or entity may have or acquire any right by virtue of this Agreement.

11. Ambiguities. Each Party and its counsel have participated fully in the drafting, review and revision of this Agreement. No rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall be applied in the interpretation of this Agreement or any amendments or modifications thereof.

12. Entire Agreement. This Agreement constitutes the final, complete, and exclusive statement of the terms of the Agreement among the Parties pertaining to the subject matter and supersedes all prior and contemporaneous understandings or agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty outside those expressly set forth in this Agreement.

13. Counterparts. This Agreement may be executed in two or more counterparts, each of which, when executed and delivered, shall be an original and all of which together shall constitute one instrument, with the same force and effect as though all signatures appeared on a single document.

**[signatures on following page]**



**THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA**

\_\_\_\_\_  
Jeffrey Kightlinger  
General Manager

\_\_\_\_\_  
Dated

APPROVED AS TO FORM:

\_\_\_\_\_  
Marcia L. Scully  
General Counsel

\_\_\_\_\_  
Dated

**SAN BERNARDINO VALLEY MUNICIPAL  
WATER DISTRICT**

\_\_\_\_\_  
Heather Dyer  
General Manager

\_\_\_\_\_  
Dated

APPROVED AS TO FORM:

\_\_\_\_\_  
Brendan Brandt  
General Counsel

\_\_\_\_\_  
Dated

**WEST VALLEY WATER DISTRICT**

\_\_\_\_\_  
\_\_\_\_\_  
General Manager

\_\_\_\_\_  
Dated

APPROVED AS TO FORM:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Dated

**INLAND EMPIRE UTILITIES AGENCY**

\_\_\_\_\_  
Shivaji Deshmukh  
General Manager

\_\_\_\_\_  
Dated

APPROVED AS TO FORM:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Dated



**BOARD OF DIRECTORS  
STAFF REPORT**

**DATE:** May 6, 2021  
**TO:** Board of Directors  
**FROM:** Shamindra Manbahal, Interim General Manager  
**SUBJECT:** INFRASTRUCTURE AGREEMENT

---

**BACKGROUND:**

In approximately 2005, the City of Fontana embarked on the Ventana Development Project, a city-adopted specific plan, designed to develop residential housing and commercial development. Over the years, the City has worked towards beginning construction. Earlier this year, West Valley Water District (WVWD) received a request for an infrastructure agreement. At the request of the Operations, Engineering, and Planning Committee, the Water District negotiated a mutually-beneficial agreement.

**DISCUSSION:**

The project is scheduled to move forward with construction this year. Approval of the agreement specifies responsibilities by each party.

**FISCAL IMPACT:**

WVWD will receive two parcels within our service area for water production use and \$150,000.

**STAFF RECOMMENDATION:**

Staff recommends that this item be submitted for consideration, and that the Board of Directors approve this item and authorize the Interim General Manager to execute the necessary documents.

SM

**ATTACHMENT(S):**

1. WVWD Infrastructure Agreement 5-3-21

## COOPERATION AGREEMENT

THIS COOPERATION AGREEMENT (“*Agreement*”) is dated as of May \_\_, 2021, for reference purposes only, and is entered into by and between the West Valley Water District (“*District*”) and HDO4, LLC, a New Mexico limited liability company (“*Developer*”), and/or its assigns, for the purposes as further described below. The District and the Developer are sometimes referred to in this Agreement individually, as a “*Party*” and, collectively, as the “*Parties.*” This Agreement is entered into by the Parties with reference to the following recited facts (each, a “*Recital*”):

### RECITALS

A. The Developer is in the process of entitling certain parcels of real property located within the District’s jurisdictional area and has the intention of developing those properties in the future (“*Projects*”).

B. The District is a special district tasked with the responsibility of providing within its jurisdiction safe, high quality and reliable water service, with such service subject to certain specified rates and fees as assessed by the District.

C. Subject to the terms of this Agreement, the Developer and the District have agreed that (1) the District, in furtherance of its providing water services within its jurisdictional area and the Projects, shall assess the Projects, for a specified term as further defined in Sections 2 and 5 below, the now current and existing fees as reflected in the fee schedule dated January 1, 2015 and attached hereto as Exhibit “A” (“*Current Fees*”), (2) the Developer shall identify for the District two (2) parcels of real property which Developer shall work in good faith to acquire and entitle on the District’s behalf with said parcels of real property to be used by the District as future well sites, and (3) the Developer shall prepay a certain amount of the Current Fees to District within fourteen (14) days of the Parties entering into this Agreement, as further discussed in Section 4 below.

NOW, THEREFORE, IN VIEW OF THE GOALS AND OBJECTIVES OF THE DISTRICT AND DEVELOPER RELATING TO THE DISTRICT’S PROVIDING WATER SERVICES WITHIN ITS JURISDICTIONAL AREA AND THE PROJECTS, FACILITATING THE DISTRICT’S ACQUISITION OF LAND FOR FUTURE DISTRICT WATER WELLS, AND THE PROMISES OF THE DISTRICT AND THE DEVELOPER AS SET FORTH IN THIS AGREEMENT, THE DISTRICT AND THE DEVELOPER AGREE, AS FOLLOWS:

1. **Incorporation of Recitals.** The Recitals of fact set forth above are true and correct and are incorporated into this Agreement, in their entirety, by this reference.

2. **District Fee Assessment.** By entering into this Agreement, the District agrees to assess the Current Fees against the Project, as reflected on the fee schedule dated January 1, 2015 and attached hereto as Exhibit “A”, for a term of seven (7) years commencing as of the Effective Date of this Agreement, and as further discussed in Section 5 below.

3. **Water Well Parcels.** By this Agreement, the District shall identify, in writing, a geographical region within the District's jurisdiction which will be the region Developer shall investigate in order for the Developer to identify no more than two (2) parcels of real property, each approximately one-half acre in size, for Developer to later acquire and entitle on District's behalf for the District's use in the construction of future water wells in the furtherance of the District's supplying water within its jurisdictional area and the Projects ("***Water Well Parcels***"). By entering into this Agreement, and upon the Developer and District agreeing in writing on the specific parcels identified by the Developer to acquire, Developer shall enter into good faith negotiations with the title owners of the Water Well Parcels with the express purpose of acquiring the Water Well Parcels for later legal transfer of the Water Well Parcels to the District for the District's intended use for the constructing of the future District water wells. In addition, upon legally obtaining the Water Wells Parcels from the title owners of the same, Developer hereby agrees, at its sole cost, to work diligently and in good faith with any and all municipalities and jurisdictions to take all necessary steps to obtain all Development Entitlements as legally required to entitle the Water Well Parcels for those parcels intended future use as District water wells. As used herein, the term "***Development Entitlements***" includes, but may not be limited to, compliance with the California Environmental Quality Act ("***CEQA***") in connection with an applicable jurisdiction's consideration of Buyer's application(s) for the Development Entitlements and compliance with any and all additional municipal and/or State of California rules and regulations as required and necessary to legally entitle the Water Well Parcels for the District's future title ownership and use. Developer hereby agrees to obtain the Development Entitlements for the Water Well Parcels within two (2) years of obtaining fee title to the Water Wall Parcels. The District hereby agrees to cooperate in good faith with any and all applicable municipalities and jurisdictions and the Developer in furtherance of the Developer's efforts to process and obtain the Development Entitlements within the timeframe identified above in the preceding sentence. In addition, the District hereby agrees to use its best efforts in expediting plan check review and approval times as may sometimes be requested by Developer.

4. **Prepayment of the Current Fees.** Within fourteen (14) calendar days of the Effective Date of this Agreement, Developer hereby agrees to make a one-time payment in the amount of ONE HUNDRED AND FIFTY THOUSAND DOLLARS AND ZERO/CENTS (\$150,000.00) to the District ("***Prepaid Fees***"). The Prepaid Fees shall be applicable and credited to the Developer's future obligation to pay the Current Fees in connection to the District's future fee assessments as related to the Projects.

5. **Term of Agreement.** This Agreement shall commence on the "***Effective Date***", which shall be the date that the District Board approves this Agreement, and the Agreement is executed by both District and Developer representatives. The term of this Agreement shall continue for a period of seven (7) years commencing on the Effective Date ("***Term***"). At the conclusion of the Term, and in the event the District has conducted, and the District Board has formally approved, an updated water fee study prior to the conclusion of the Term, Developer hereby understands and acknowledges that the District shall assess against the Projects, and the Developer shall be obligated to pay, as applicable, the post-Term existing fees as reflected in the updated water fee study.

6. **Notice.** All notices required under this Agreement shall be presented in person, by electronic mail, by a nationally recognized overnight delivery service or by first class certified or registered United States Mail, with return receipt requested, to the address and/or electronic mail addresses for the Party set forth in this Section 6. Notice shall be deemed confirmed by United States Mail effective the third (3rd) business day after deposit with the United States Postal Service. Notice by personal service or nationally recognized overnight delivery service shall be effective upon delivery. Either Party may change its address for receipt of notices by notifying the other Party in writing. Delivery of notices to courtesy copy recipients shall not be required for valid notice to a Party.

TO DEVELOPER: HDO4, , LLC  
2151 E. Convention Center Way, Suite 222  
Ontario, CA 91764  
Attn: Richard Munkvold  
E-Mail: [rmunkvold@frontier-enterprises.com](mailto:rmunkvold@frontier-enterprises.com)

COPY TO: HDO4, LLC  
2151 E. Convention Center Way, Suite 222  
Ontario, CA 91764  
Attn: Steven B. Imhoof, Esq.  
Email: [simhoof@frontier-enterprises.com](mailto:simhoof@frontier-enterprises.com)

TO DISTRICT: West Valley Water District  
855 W Baseline Rd,  
Rialto, CA 92376  
Attn: Interim General Manager  
E-Mail: [smanbahal@wvwd.org](mailto:smanbahal@wvwd.org)

COPY TO: Tafoya & Garcia LLP  
316 W 2nd St #1000  
Los Angeles, CA 90012  
Attn: Robert Tafoya, Esq.  
E-Mail: [robert@tafoyagarcia.com](mailto:robert@tafoyagarcia.com)

7. **Counterpart Originals.** This Agreement may be executed by the District and the Developer in multiple counterpart originals, all of which together shall constitute a single agreement.

8. **No Third-Party Beneficiaries.** Nothing in this Agreement is intended to benefit any person or entity other than the District or the Developer.

9. **Governing Law.** The District and the Developer acknowledge and agree that this Agreement was negotiated, entered into and is to be fully performed in State of California. District and Developer agree that this Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California, without application of such laws' conflicts of laws principles.



10. **Waivers.** No waiver of any breach of any term or condition contained in this Agreement shall be deemed a waiver of any preceding or succeeding breach of such term or condition, or of any other term or condition contained in this Agreement. No extension of the time for performance of any obligation or act, no waiver of any term or condition of this Agreement, nor any modification of this Agreement shall be enforceable against the District or the Developer, unless made in writing and executed by both the District and the Developer.

11. **Construction.** Headings at the beginning of each section and sub-section of this Agreement are solely for the convenience of reference of the District and the Developer and are not a part of this Agreement. Whenever required by the context of this Agreement, the singular shall include the plural and the masculine shall include the feminine and vice versa. This Agreement shall not be construed as if it had been prepared by one or the other of the District or the Developer, but rather as if both the District and the Developer prepared this Agreement. Unless otherwise indicated, all references to sections are to this Agreement. All exhibits referred to in this Agreement are attached to this Agreement and incorporated into this Agreement by this reference. If the date on which the District or the Developer is required to take any action pursuant to the terms of this Agreement is not a business day of the District, the action shall be taken on the next succeeding business day of the District.

12. **Attorneys' Fees.** If either Party hereto files any action or brings any action or proceeding against the other arising out of this Agreement, then the prevailing Party shall be entitled to recover as an element of its costs of suit, and not as damages, its reasonable attorneys' fees as fixed by the court, in such action or proceeding or in a separate action or proceeding brought to recover such attorneys' fees. For the purposes hereof the words "reasonable attorneys' fees" mean and include, in the case of either Party, salaries and expenses of the lawyers working for or employed by such Party (allocated on an hourly basis) to the extent they provide legal services to such Party in connection with the representation of that Party in any such matter.

13. **Time of Essence.** Time is of the essence of each and every provision of this Agreement.

14. **Days.** Without limiting the effect of any reference herein to "business days", as used herein, a reference to "days" means calendar days.

15. **Assignment.** The Developer may assign its rights under this Agreement to an Affiliate on the condition that such Affiliate expressly assumes all of the obligations of the Developer under this Agreement in a writing reasonably satisfactory to the District. For the purposes of this Agreement, the term "Affiliate" means any person, directly or indirectly, controlling or controlled by or under common control with the Developer, whether by direct or indirect ownership of equity interests, by contract, or otherwise. For the purposes of this agreement, "Control" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether by ownership of equity interests, by contract, or otherwise.

IN WITNESS WHEREOF, the District and the Developer have executed this Cooperation Agreement on the dates indicated next to each of the signatures of their authorized representatives, as appear below.

*[signatures on following page]*

HDO4, LLC, A NEW MEXICO LIMITED  
LIABILITY COMPANY

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Richard Munkvold  
Chief Financial Officer

WEST VALLEY WATER DISTRICT,  
A Public Agency of the State of California

Dated: \_\_\_\_\_

\_\_\_\_\_  
Channing Hawkins, President

Dated: \_\_\_\_\_

\_\_\_\_\_  
Peggy Asche, Board Secretary

APPROVED AS TO FORM:

Dated: \_\_\_\_\_

\_\_\_\_\_  
Robert Tafoya, General Counsel



**BOARD OF DIRECTORS  
STAFF REPORT**

**DATE:** May 6, 2021  
**TO:** Board of Directors  
**FROM:** Shamindra Manbahal, Interim General Manager  
**SUBJECT:** DAVID TURCH AMENDED AGREEMENT

---

**BACKGROUND:**

West Valley Water District (WVWD) released a Request for Proposals (RFP) on February 11, 2021 for Federal Lobbyist Services. After an evaluation and interview, Staff recommended David Turch and Associates (Consultant) to the Board of Directors for approval to enter into an agreement with Consultant on March 18, 2021.

**DISCUSSION:**

Staff is submitting an amended agreement for consideration and approval. WVWD uses a standard Professional Services Agreement (PSA) template which included requirements that are not applicable to the vendor.

**FISCAL IMPACT:**

None

**STAFF RECOMMENDATION:**

Board of Directors consider and approve the amended agreement with David Turch and Associates.

Attachment: Exhibit A

sm

**ATTACHMENT(S):**

1. Exhibit A - David Turch PSA with Professional Liability Strikeout



# ***West Valley Water District***

***AGREEMENT FOR PROFESSIONAL SERVICES***

***With***

***David Turch and Associates***



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## **AGREEMENT FOR PROFESSIONAL SERVICES**

This AGREEMENT FOR PROFESSIONAL SERVICES (“Agreement”) effective as of this 18<sup>th</sup> day of March, 2021 (“Effective Date”) is by and between West Valley Water District (“District”) and David Turch and Associates (“Consultant”). The District and Consultant may be collectively referred to as the “Parties” and individually as a “Party.”

### **RECITALS**

**A.** The Parties desire to enter into this Agreement for the purpose of setting forth the terms and conditions upon which Consultant shall provide certain services to District.

**NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:**

#### **Section 1. Term of Agreement.**

(a) Subject to subsection (b) below, the term of this Agreement will be for a period of one (1) year commencing on the Effective Date and terminating one (1) year after the Effective Date.

(b) This Agreement shall renew automatically for continuous one (1) year periods for no more than two (2) additional years, unless either Party, prior to the end of the existing one (1) year period, delivers written notice to the other Party, that the Agreement shall not be extended.

#### **Section 2. Scope and Performance of Services.**

**2.1** (a) District may, from time to time, by written instructions from the general manager or assistant general manager of the District (“Authorized Representative”) issue task orders (“Task Orders”) to the Consultant. The Task Order shall be in such form and content as shall be set forth on Exhibit “A” attached hereto and by this reference incorporated herein. The Task Order shall set forth: (i) the scope of services to be performed by Consultant; (ii) the compensation to be paid to Consultant; and (iii) the time to complete the Task Order. The provisions of this Agreement shall apply to all such Task Orders.

(b) For each Task Order, Consultant shall confer, as requested, with District representatives to review progress of work elements, adherence to work schedule, coordination of work, scheduling of review and resolution of problems which may develop.

**2.2** Consultant will furnish all of the labor, technical, administrative, professional and other personnel, all supplies and materials, equipment, printing,

vehicles, transportation, office space and facilities, and all tests, testing and analyses, calculation, and all other means whatsoever, except as otherwise expressly specified in this Agreement, necessary or proper to perform and complete the services required of Consultant under this Agreement.

- 2.3** Consultant's designated representative(s) who are authorized to act on its behalf and to make all decisions in connection with the performance of services under this Agreement are listed in Exhibit "B" attached hereto and by this reference incorporated herein ("Key Personnel").
- 2.4** Consultant represents and warrants that it has the qualifications, experience and facilities necessary to properly perform the services required under this Agreement in a thorough, competent and professional manner. Notwithstanding Section 3 below, in the event Consultant utilizes the services of subcontractors or sub-consultants, Consultant assumes sole and complete responsibility for the performance of the subcontractor or sub-consultant to the specifications provided hereunder for Consultant's work, and no adjustment will be made to Consultant's requirements under this Agreement for timely completion of services, complete performance of services, or delivery of products or deliverables in a timely fashion, and no adjustment will be made to performance deadlines, or compensation due to Consultant, due to or arising from issues Consultant may have with any subcontractor or sub-consultant. Consultant will at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described in this Agreement. In meeting its obligations under this Agreement, Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to those required of Consultant under this Agreement.

Consultant warrants it will perform its engineering and design under the Task Order, as more particularly described in Exhibit A ("Task Order") in accordance with the current standards of care and diligence normally practiced by recognized engineering and design firms in performing services of a similar nature. Further, Consultant warrants that the engineering and design performed has been performed in accordance with the then current standards of care and diligence normally practiced by recognized engineering and design firms in performing services of a similar nature. If within one (1) year after substantial completion of the engineering and design work it is shown that there is an error in that work as a result of the Consultant's failure to meet those standards and the District has notified the Consultant in writing of any such error within that period, Consultant shall re-perform such engineering and design work within the original scope of such services, as may be necessary to remedy such error. All costs incurred by Consultant in performing such corrective services shall be the sole responsibility of the Consultant and such costs shall not be reimbursable in any way.

**Section 3. Additional Services and Changes in Services**

- 3.1 Consultant will not be compensated for any services rendered in connection with its performance of this Agreement that are in addition to or outside of those set forth in the Task Orders, unless such additional services are authorized in advance and in writing by District.
- 3.2 If Consultant believes that additional services are needed to complete a Task Order, Consultant will provide the Authorized Representative with written notification describing the proposed additional services, the reasons for such services, and a detailed proposal regarding cost.
- 3.3 District may order changes to a Task Order, consisting of additions, deletions, or other revisions, and the compensation to be paid Consultant will be adjusted accordingly. All such changes must be authorized in writing, and executed by Consultant and District. The cost or credit to District resulting from changes in a Task Order will be determined by the written agreement between the Parties.

**Section 4. Familiarity with Services and Site.**

- 4.1 By executing this Agreement, Consultant warrants that Consultant shall, prior to undertaking a Task Order:
  - (a) investigate and consider the services to be performed;
  - (b) carefully consider how and within what time frame the services should be performed;
  - (c) understand the facilities, difficulties, and restrictions attending performance of the services under a Task Order; and
  - (d) possesses all licenses required under local, state or federal law to perform the services contemplated by a Task Order, and maintain all required licenses during the performance of such Task Order.
- 4.2 If services involve work upon any site, Consultant warrants that Consultant has or will investigate the site and will be fully acquainted with the conditions there existing, before commencing its services under a Task Order. Should Consultant discover any latent or unknown conditions that may materially affect the performance of services, Consultant will immediately inform District of such fact and will not proceed except at Consultant's own risk until written instructions are received from the District.

**Section 5. Compensation and Payment.**

- 5.1 Subject to any limitations set forth in this Agreement, District agrees to pay Consultant the amounts shown in a Task Order.
- 5.2 Each month during the existence of a Task Order, Consultant shall furnish District with an original invoice for all services performed and expenses incurred during the preceding month in accordance with the fee schedule set forth in the Task Order. The invoice must detail charges by the following categories: labor (by subcategory), reimbursable costs, subcontractor contracts and miscellaneous expenses. The invoice must list, as applicable, the hours worked and hourly rates for each personnel category, the tasks performed, the percentage of the task completed during the billing period, the cumulative percentage completed for each task, and the total cost of the services.
- 5.3 District will independently review each invoice submitted by Consultant to determine whether the work performed and expenses incurred are in compliance with this Agreement. In the event that no charges or expenses are disputed, the invoice will be approved and paid. In the event any charges or expenses are disputed by District, the original invoice will be returned by District to Consultant for correction and resubmission.
- 5.4 Except as to any charges for work performed or expenses incurred by Consultant that are disputed by District, District will use its best efforts to cause Consultant to be paid within thirty (30) days of receipt of Consultant's invoice.
- 5.5 No payment or partial payment to Consultant shall constitute acceptance of any work completed by Consultant or waive any claims by the District for any reason whatsoever.

**Section 6. Required Documentation Prior to Performance.**

- 6.1 Consultant will not perform any services under this Agreement until:
  - (a) Consultant furnishes proof of insurance ("Insurance") as required under Exhibit "C" attached hereto and by this reference incorporated herein; and
  - (b) Consultant provides District with a Taxpayer Identification Number.
- 6.2 The District will have no obligation to pay for any services rendered by Consultant in advance of receiving written authorization to proceed for each Task Order, and Consultant acknowledges that any such services are at Consultant's own risk.

**Section 7. Project Documents.**

- 7.1 All original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer programs, files and other documents (collectively, "Project Documents") prepared, developed or discovered by Consultant in the course of providing services under this Agreement will become the sole property of District and may be used, reused or otherwise disposed of by District without the permission of Consultant. Consultant will take such steps as are necessary to perfect or protect the ownership interest of District in such Project Documents. Upon completion, expiration or termination of this Agreement, Consultant shall turn over to District all such original Project Documents in its possession; provided, however, that Consultant may retain copies of Project Documents.
- 7.2 Except as necessary for the performance of services under this Agreement, no Project Documents prepared under this Agreement, will be released by Consultant to any other person or entity without District's prior written approval. All press releases, including graphic display information to be published, must be approved and distributed solely by District, unless otherwise agreed to in writing by District.

**Section 8. Consultant's Books and Records.**

- 8.1 Consultant shall maintain any and all documents and records demonstrating or relating to Consultant's performance of services under this Agreement. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, or other documents or records evidencing or relating to work, services, expenditures and disbursements charged to District under this Agreement. Any and all such documents or records must be maintained in accordance with generally accepted accounting principles and must be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by Consultant under this Agreement. Any and all such documents or records must be maintained for three (3) years following the final payment for each Task Order.
- 8.2 Any and all records or documents required to be maintained by this section must be made available for inspection, audit and copying, at any time during regular business hours, upon written request by District or its designated representatives. Copies of such documents or records must be provided directly to District for inspection, audit and copying when it is practical to do so; otherwise, unless an alternative is mutually agreed upon, such documents and records must be made available at Consultant's address indicated for receipt of notices in this Agreement.

- 8.3** Where District has reason to believe that any of the documents or records required to be maintained by this section may be lost or discarded due to dissolution or termination of Consultant's business, District may, by written request, require that custody of such documents or records be given to a person or entity mutually agreed upon and that such documents and records thereafter be maintained by such person or entity at Consultant's expense. Access to such documents and records shall be granted to District, as well as to its successors-in-interest and authorized representatives.

**Section 9. Status of Consultant.**

- 9.1** Consultant is and will at all times remain a wholly independent contractor and not an officer or employee of District. Consultant has no authority to bind District in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against District, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by District.
- 9.2** The personnel performing the services under this Agreement on behalf of Consultant will at all times be under Consultant's exclusive direction and control. Neither District, nor any elected or appointed boards, officers, officials, employees or agents of District, will have control over the conduct of Consultant or any of Consultant's officers, subcontractors or sub-consultants, employees or agents, except as provided in this Agreement. Consultant warrants that it will not at any time or in any manner represent that Consultant or any of Consultant's officers, employees or agents are in any manner officials, officers, employees or agents of District.
- 9.3** Neither Consultant, nor any of Consultant's officers, employees or agents, will obtain any rights to retirement, health care or any other benefits which may otherwise accrue to District's employees. Consultant expressly waives any claim to any such rights or benefits.

**Section 10. Compliance with Applicable Laws.**

Consultant shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this Agreement.



**Section 11. Conflicts of Interest.**

Consultant covenants that neither Consultant, nor any officer, principal nor employee of its firm, has or will acquire any interest, directly or indirectly, that would conflict in any manner with the interests of District or that would in any way hinder Consultant's performance of services under this Agreement. Consultant further covenants that neither Consultant, nor any officer, principal or employee of its firm will make, participate in the making, or in any way attempt to use the position of Consultant to influence any decision of the District in which Consultant knows or has reason to know that Consultant, or any officer, principal or employee of Consultant has a financial interest as defined in Government Code section 87103.

**Section 12. Confidential Information; Release of Information.**

- 12.1** All information gained or work product produced by Consultant in performance of this Agreement will be considered confidential to the full extent permitted by law, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than District without prior written authorization from an Authorized Representative, except as may be required by law.
- 12.2** Consultant, its officers, employees, or agents, shall not, without prior written authorization from an Authorized Representative or unless requested by the District counsel, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order will not be considered "voluntary" provided Consultant gives District notice of such court order or subpoena.
- 12.3** If Consultant, or any officer, employee, or agent of Consultant, provides any information or work product (including Project Documents) in violation of this Agreement, then District shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorneys' fees related to any unauthorized disclosure by consultant or, caused by or incurred as a result of Consultant's conduct.
- 12.4** Consultant shall promptly notify District should, Consultant, its officers, employees, or agents be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the services performed under this Agreement. District retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with District and to provide District with the opportunity to review any response to discovery requests provided by

Consultant. However, this right to review any such response does not imply or mean the right by District to control, direct, or rewrite such response.

### **Section 13. Indemnification.**

Consultant covenants and agrees that, during the term of this Agreement, any injury suffered as a result of Consultant's services shall be the sole responsibility of Consultant and its successors and assigns and District shall not be liable to Consultant, or any other person or persons whatsoever for any such injury, loss or damage to persons or property unless caused by the negligence or intentional acts of District or its Representatives (as solely defined below). Consultant shall defend, indemnify and hold District, its officers, directors and Representatives ("District Indemnitees") harmless from and against any and all claims, costs, liabilities, debts, demands, suits, actions, causes of action, obligations, proceedings, damages, judgments, liens and expenses of whatever nature, including attorneys' fees and disbursements (collectively, "Claims") which may be made against the District Indemnitees arising out of or in connection with (a) the retention by District of Consultant's services; (b) the performance of or failure to perform, the work covered by this Agreement which is caused or occasioned by any act, action, neglect on the part of Consultant, or its Representatives, in the performance of this Agreement and the work to be done under this Agreement; (c) the death and/or injury to any person or damage to any property (real or personal) and/or economic loss which may be caused or is claimed to have been caused, by the negligence, act or omission of Consultant or its Representatives or its or their property; (d) any violation or alleged violation by Consultant of any law or regulation now or hereafter enacted; and (e) any breach by Consultant of its obligations under this Agreement. The foregoing indemnity shall not apply to the extent any such Claims are ultimately established by a court of competent jurisdiction to have been caused by the negligence or willful misconduct of the District Indemnitees or any of them. District shall make all decisions with respect to its representation in any legal proceeding concerning this section. If Consultant fails to do so, District shall have the right, but not the obligation, to defend the same and charge all of the direct or incidental Claims of such defense, including attorneys' fees and costs, to Consultant and to recover the same from Consultant. The term "Representatives" shall mean employees, representatives, agents, contractors, subcontractors or any other persons directly or indirectly employed by any one of the foregoing or reasonably under the control of any of the foregoing or for whose acts any of the foregoing may be liable.

### **Section 14. Insurance.**

Consultant agrees to obtain and maintain in full force and effect during the term of this Agreement the Insurance coverages listed in Exhibit "C." All Insurance policies

shall be subject to approval by District as to form and content. These requirements are subject to amendment or waiver if so approved in writing by an Authorized Representative.

## **Section 15. Assignment.**

- 15.1** The expertise and experience of Consultant are material considerations for this Agreement. District has an interest in the qualifications of and capability of the persons and entities that will fulfill the duties and obligations imposed upon Consultant under this Agreement. Consultant may not assign or transfer this Agreement or any portion of this Agreement or the performance of any of Consultant's duties or obligations under this Agreement without the prior written consent of District. The District can withhold its approval/consent in its sole and absolute discretion. Any attempted assignment will be null and void, and will constitute a material breach of this Agreement entitling District to any and all remedies at law or in equity, including summary termination of this Agreement.
- 15.2** Consultant must obtain District's prior written approval before utilizing any subcontractors to perform any services under this Agreement, which approval may be withheld in District's sole and absolute discretion. This written approval must include the identity of the subcontractor and the terms of compensation. Approval by District does not imply any agreement to or endorsement by the District as to the competency or capability of any proposed subcontractor or sub-consultant, and District reserves any and all rights against both Consultant and such subcontractor or sub-consultant, for any failure to perform or other breach of any of the provisions of this Agreement, or the standards of performance defined herein, and no waiver is intended or to be implied by District's approval of any subcontractor or sub-consultant.

## **Section 16. Termination of Agreement.**

- 16.1** District may terminate this Agreement, with or without cause, at any time by written notice of termination to Consultant. In the event such notice is given, Consultant shall cease immediately all work in progress.
- 16.2** Upon termination of this Agreement, all property belonging exclusively to District which is in Consultant's possession must be returned to District. Consultant shall promptly deliver to District a final invoice for all outstanding services performed and expenses incurred by Consultant as of the date of termination. Compensation for work in progress not based on an hourly rate will be prorated based on the percentage of work completed as of the date of termination.

- 16.3** Consultant acknowledges District's right to terminate this Agreement as provided in this section, and hereby waives any and all claims for damages that might otherwise arise from District's termination of this Agreement.

**Section 17. Notices.**

- 17.1** All written notices required or permitted to be given under this Agreement will be deemed made when received by the other Party at its respective address as follows:

To District:                West Valley Water District  
                                      855 West Base Line Road  
                                      P. O. Box 920  
                                      Rialto, CA 92377  
                                      Attention: Shamindra Manbahal  
                                      Interim General Manager

(Tel.) 909-875-1804  
 (Fax) 909-875-1849

To Consultant:        David Turch and Associates  
                                      517 2<sup>nd</sup> St NE  
                                      Washington, DC 20002  
                                      Attention: David Turch

**\*\* Please send all invoices by:**

**Email: [apinvoices@wvwd.org](mailto:apinvoices@wvwd.org)**

*or*

**Mail: West Valley Water District**  
**Accounts Payable**  
**P.O. Box 920**  
**Rialto, CA 92377**

- 17.2** Notice will be deemed effective on the date personally delivered or transmitted by facsimile. If the notice is mailed, notice will be deemed given three (3) days after deposit of the same in the custody of the United States Postal Service, postage prepaid, for first class delivery, or upon delivery if using a major courier service with tracking capabilities.

- 17.3 Any Party may change its notice information by giving notice to the other Party in compliance with this section.

**Section 18. General Provisions.**

- 18.1 **Authority to Execute.** Each Party represents and warrants that all necessary action has been taken by such Party to authorize the undersigned to execute this Agreement and to bind it to the performance of its obligations hereunder.
- 18.2 **Binding Effect.** Subject to Section 15, this Agreement is binding upon the heirs, executors, administrators, successors and assigns of the Parties, including any subcontractors or sub-consultants of Consultant.
- 18.3 **Entire Agreement.** This Agreement, including the attached Exhibits "A" through "C," is the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed in this Agreement and supersedes all other agreements or understandings, whether oral or written, between Consultant and District prior to the execution of this Agreement.
- 18.4 **Modification of Agreement.** No amendment to or modification of this Agreement will be valid unless made in writing and approved by Consultant and approved in writing by the Board of Directors of the District, or in writing by the General Manager, if such power has been delegated to General Manager. The Parties agree that this requirement for written modifications cannot be waived and that any attempted waiver will be void.
- 18.5 **Facsimile Signatures.** Amendments to this Agreement will be considered executed when the signature of a Party is delivered by facsimile transmission. Such facsimile signature will have the same effect as an original signature.
- 18.6 **Waiver.** Waiver by any Party to this Agreement of any term, condition, or covenant of this Agreement will not constitute a waiver of any other term, condition, or covenant. Waiver by any Party of any breach of the provisions of this Agreement will not constitute a waiver of any other provision, or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by District of any services by Consultant will not constitute a waiver of any of the provisions of this Agreement.
- 18.7 **Interpretation.** This Agreement will be interpreted, construed and governed according to the laws of the State of California. Each Party has had the opportunity to review this Agreement with legal counsel. The Agreement will be construed simply, as a whole, and in accordance with its fair meaning, and without resort to rules regarding draftsmanship. It will not be interpreted strictly for or against either Party.

- 18.8 Severability.** If any provision of this Agreement shall be ruled invalid, illegal or unenforceable, the Parties shall: (a) promptly negotiate a substitute for the provisions which shall to the greatest extent legally permissible, effect the intent of the Parties in the invalid, illegal or unenforceable provision, and (b) negotiate such changes in, substitutions for or additions to the remaining provisions of this Agreement as may be necessary in addition to and in conjunction with subsection (a) above to give effect to the intent of the Parties without the invalid, illegal or unenforceable provision. To the extent the Parties are unable to negotiate such changes, substitutions or additions as set forth in the preceding sentence, and the intent of the Parties with respect to the essential terms of the Agreement may be carried out without the invalid, illegal or unenforceable provisions, the balance of this Agreement shall not be affected, and this Agreement shall be construed and enforced as if the invalid, illegal or unenforceable provisions did not exist.
- 18.9 Venue.** The Parties agree any action or proceeding to enforce or relating to this Agreement shall be brought exclusively in the federal court located in Riverside County, California or state court located in San Bernardino County, California and the Parties hereto consent to the exercise of personal jurisdiction over them by such courts for purposes of any such action or proceeding.
- 18.10 Disputes.** If any disputes should arise between the Parties concerning the work to be done under this Agreement, the payments to be made, or the manner of accomplishment of the work, Consultant shall nevertheless proceed to perform the work as directed by District pending settlement of the dispute.
- 18.11 Cooperation.** Consultant shall cooperate in the performance of work with District and all other agents.
- 18.12 Time of Essence.** Time shall be of the essence as to all dates and times of performance contained in this Agreement.
- 18.13 Counterparts.** This Agreement may be signed and delivered in any number of counter parts, each of which, when signed and delivered, shall be an original, but all of which shall together constitute one and the same Agreement.

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed effective as of the day and year first above written.

**DISTRICT:**

**WEST VALLEY WATER DISTRICT,  
a public agency of the State of California**

By \_\_\_\_\_  
Channing Hawkins, President

By \_\_\_\_\_  
Shamindra Manbahal, Interim General Manager

By \_\_\_\_\_  
Peggy Asche, Board Secretary

**APPROVED AS TO FORM:**

**TAFOYA LAW GROUP, APC**

By \_\_\_\_\_  
Robert Tafoya

**CONSULTANT:**

David Turch and Associates

By \_\_\_\_\_

Name \_\_\_\_\_

Its \_\_\_\_\_

**EXHIBIT A**  
**TASK ORDER**



**TASK ORDER NO.   1**

This Task Order (“Task Order”) is executed this 18<sup>th</sup> day of March, 2021 by and between West Valley Water District, a public agency of the State of California (“District”) and David Turch and Associates (“Consultant”).

**RECITALS**

- A. On or about March 18<sup>th</sup>, 2021 District and Consultant executed that certain Agreement for Professional Services (“Agreement”).
- B. The Agreement provides that the District will issue Task Orders from time to time, for the provision of certain services by Consultant.
- C. Pursuant to the Agreement, District and Consultant desire to enter into this Task Order for the purpose of setting forth the terms and conditions upon which Consultant shall render certain services to the District.

**NOW, THEREFORE, THE PARTIES HERETO HEREBY AGREE AS FOLLOWS:**

1. Consultant agrees to perform the services set forth on Exhibit “1” attached hereto and by this reference incorporated herein.
2. Subject to any limitations in the Agreement, District shall pay to Consultant the amounts specified in Exhibit “2” attached hereto and by this reference incorporated herein. The total compensation, including reimbursement for actual expenses, may not exceed the amount set forth in Exhibit “2,” unless additional compensation is approved in writing by the District.
3. Consultant shall perform the services described in Exhibit “1” in accordance with the schedule set forth in Exhibit “3” attached hereto and by this reference incorporated herein. Consultant shall commence work immediately upon receipt of a notice to proceed from the District. District will have no obligation to pay for any services rendered by Consultant in advance of receipt of the notice to proceed, and Consultant acknowledges that any such services are at Consultant’s own risk.
4. The provisions of the Agreement shall apply to this Task Order. As such, the terms and conditions of the Agreement are hereby incorporated herein by this reference.

**[SIGNATURES APPEAR ON FOLLOWING PAGE]**

**IN WITNESS WHEREOF**, the parties have caused this Task Order to be executed effective as of the day and year first above written.

**DISTRICT:**

**WEST VALLEY WATER DISTRICT,  
a public agency of the State of California**

\_\_\_\_\_  
Channing Hawkins, President

\_\_\_\_\_  
Shamindra Manbahal, Interim General  
Manager

\_\_\_\_\_  
Peggy Asche, Board Secretary

**CONSULTANT:**

**David Turch and Associates**

By \_\_\_\_\_

Name \_\_\_\_\_

Its \_\_\_\_\_

By \_\_\_\_\_

Name \_\_\_\_\_

Its \_\_\_\_\_

**EXHIBIT “1”**  
**TO**  
**TASK ORDER NO.   1**

**SCOPE OF SERVICES**

The consultant will act as the Washington, D.C. lobbyist and government relations representative of the West Valley Water District, and will perform the following scope of required services at a minimum:

1. Identify, monitor and advise the district on Federal legislative, budgetary and intergovernmental matters that could have a significant impact on the water district's fiscal, operational and environmental health, and the overall quality of life enjoyed by West Valley Water District residents.
2. Provide the district with copies of bills, amendments, committee reports; State agency rules, regulations or reports; budget proposals and other reasonably available information that is pertinent to the water district's governmental affairs programs.
3. Serve as the water district's advocate and liaison, helping foster and maintain strong bipartisan working relationships between the water district and its representatives in the U.S. House of Representatives and Senate, with legislative committee members, and federal agencies; scheduling and facilitating meetings, preparing briefing papers and talking points, presenting testimony, preparing and submitting letters and facilitating direct communication with water district officials.
4. Provide periodic written reports (at least monthly) and present such reports to the board of directors and management as requested regarding Federal activities pertinent to the water district.
5. Participate in regularly scheduled calls (at least bi-weekly) with district staff to provide information and advice regarding Federal activities pertinent to the water district.
6. Provide support to the board of directors and management in conducting an annual review and as-needed updates to the water district's Legislative Platform and Legislative Priorities.
7. Assist the water district in identifying local and legislative needs, pursuing bill sponsorship opportunities, building coalitions and advocating for passage of sponsored legislation, as needed.

8. Develop and implement strategies in coordination with district staff to advance district positions on matters pertinent to the district's Legislative Platform.
9. Coordinate the district's advocacy strategies with the American Water Works Association and other associations and advocacy organizations that share the district's position on matters that are pertinent to the district's Legislative Platform.
10. Serve as liaison between the district and its representatives in the U.S. House of Representatives and U.S. Senate; developing and implementing short-term and long range strategies to generate support for the district's policies, projects and programs among members of the U.S. House of Representatives, and committees; and assisting the district's representatives in any matter which furthers the objectives of the district's outreach programs.
11. Prepare and present an annual report to the water district and board of directors external affairs committee summarizing the lobbying and government relations activities and results achieved on legislative, budgetary and other intergovernmental matters advocated or advanced on behalf of the agency during the year.
12. On behalf of the water district, fulfill federal registration and reporting requirements imposed on lobbyists, as required by law.
13. Maintain and present an ongoing list of potential grant funds that water district should seek from state agencies.
14. Develop and present a legislative platform.

**EXHIBIT "2"**  
**TO**  
**TASK ORDER NO. 1**

**COMPENSATION**

**Not to Exceed Monthly Retainer Fee of \$12,500 per month.**

Monthly Retainer Fee will include all reasonable and customary business expenses incurred by the Consultant including to but not limited to airfare, hotel, car rental, food, insurance, gasoline, mileage, photocopying, telephone calls, parking, transportation and any other expenses incurred by the Consultant related to the District.

**EXHIBIT "3"**  
**TO**  
**TASK ORDER NO. 1**  
**SCHEDULE**

Schedule to be determined by District Staff.

**EXHIBIT B****KEY PERSONNEL**

Consultant's designated representative(s) who are authorized to act on its behalf and to make all decisions in connection with the performance of services under this Agreement are:

David Turch

Jamie Jones

Kevin Bosch

Marilyn Campbell

Victor Tambone

Alexander Perez

Joe McClean

Mark Moran

Rob Wigington

Cristal Vitela

EXHIBIT C  
INSURANCE



### INSURANCE

A. **General Requirements.** Before commencing the performance of services under this Agreement, and at all other times this Agreement is effective, Consultant must procure and maintain the following types of insurance with coverage limits complying, at a minimum, with the limits set forth below:

<u>Type of Insurance</u>	<u>Limits (combined single)</u>
Commercial General Liability:	\$1,000,000
Business Automobile Liability	\$1,000,000
<del>Professional Liability</del>	<del>\$1,000,000</del>
Workers Compensation	Statutory Requirement

B. **Commercial General Liability Insurance.** The amount of insurance set forth above must be a combined single limit per occurrence for bodily injury, personal injury, and property damage for the policy coverage. The insurance must be on an “occurrence” not a “claims made” basis.

C. **Business Automobile Insurance.** Automobile coverage must be written on forms subject to the written approval of District.

~~D. **Professional Liability Insurance.** This coverage must be on an “occurrence” basis, including coverage for contractual liability. The Professional Liability Insurance required by this Agreement must be endorsed to be applicable to claims based upon, arising out of or related to services performed under this Agreement.~~

E. **Workers Compensation.** Consultant must have a State of California approved policy form providing the statutory benefits required by law with employer’s liability limits of no less than \$1,000,000 per accident for all covered losses, or Consultant must provide evidence of an approved self-insurance program.

F. **Additional Insureds.** Each Commercial General Liability Insurance policy and Business Auto Insurance policy must provide that the District, its officials, officers, employees, agents and volunteers are “additional insureds” under the terms of the policy, and must provide that an act or omission of one the insureds will not reduce or avoid coverage to the other insureds.

G. **Deductibles and Self-Insured Retention.** Any deductibles or self-insured retentions applicable to the insurance policies required under this Agreement must be declared to and approved by District. In no event may any required insurance policy have a deductible, self-insured retention or other similar policy provision in excess of \$50,000 without prior written approval by District in its sole discretion. At the option of District, either the insurer will reduce or eliminate such deductibles or self-insured retentions with respect to the District’s additional insureds or Consultant will procure a bond guaranteeing payment of any losses, damages, expenses, costs or settlements up to the amount of such deductibles or self-insured retentions.

- H. **Primary Insurance.** Each of the insurance policies maintained by Consultant under this Agreement must state that such insurance will be deemed “primary” so that any insurance that may be carried by District will be deemed excess to that of Consultant. This endorsement must be reflected on forms as determined by District.
- I. **Certificates of Insurance and Endorsements.** Prior to commencing any services under this Agreement, Consultant must file with the District certificates of insurance and endorsements evidencing the existence of all insurance required by this Agreement, along with such other evidence of insurance or copies of policies as may reasonably be required by District. These certificates of insurance and endorsements must be in a form approved by the Legal Counsel. Consultant must maintain current certificates and endorsements on file with District during the term of this Agreement reflecting the existence of all required insurance. Each of the certificates must expressly provide that no material change in the policy, or termination thereof, will be effective except upon 30 days’ prior written notice to District by certified mail, return receipt requested. The delivery to District of any certificates of insurance or endorsements that do not comply with the requirements of this Agreement will not waive the District’s right to require compliance.
- J. **Insurance Rating.** All insurance required to be maintained by Consultant under this Agreement must be issued by companies licensed by or admitted to conduct insurance business in the State of California by the California Department of Insurance and must have a rating of A or better and Class VII or better by the latest edition of A.M. Best’s Key Rating Guide.
- K. **Aggregate Limits.** The aggregate limits for each insurance policy required under this Agreement must apply separately and solely to the services performed under this Agreement. If the required policies do not have an endorsement providing that the aggregate limit applies separately to the services being performed, or if defense costs are included in the aggregate limit, then the required aggregate limits must be increased to an amount satisfactory to District.
- L. **Waiver of Subrogation Rights.** Consultant and each insurer providing any insurance required by this Agreement must waive all rights of subrogation against District, its officials, officers, employees, agents and volunteers, and each insurer must issue a certificate to the District evidencing this waiver of subrogation rights.
- M. **Failure to Maintain Required Insurance.** If Consultant, for any reason, fails to obtain and maintain the insurance required by this Agreement, District may obtain such coverage at Consultant’s expense and deduct the cost of such insurance from payments due to Consultant under this Agreement or may terminate the Agreement.
- N. **Effect of Coverage.** The existence of the required insurance coverage under this Agreement shall not be deemed to satisfy or limit Consultant’s indemnity obligations under this Agreement. Consultant acknowledges that the insurance coverage and policy limits set forth in this Agreement constitute the minimum coverage and policy limits required. Any insurance proceeds available to District

in excess of the limits and coverage required by this Agreement, and which is applicable to a given loss, must be made available to District to compensate it for such losses.



**BOARD OF DIRECTORS  
STAFF REPORT**

**DATE:** May 6, 2021  
**TO:** Board of Directors  
**FROM:** Shamindra Manbahal, Interim General Manager  
**SUBJECT:** AGREEMENT WITH TRES ES. INC. STATE LOBBYING

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**DISCUSSION:**

On March 12, 2021, the Public Affairs Department, in cooperation with the Purchasing Department, released a Request for Proposal for State Lobbying Services. The water district utilized Planet Bids, an online competitive bid system utilized by government agencies. The deadline to submit a proposal was March 26, 2021 at 4:00pm. On March 29, staff began reviewing the proposals. The External Affairs Committee reviewed proposals and recommended the Board of Directors interview selected firms. On April 29, the Board of Directors interviewed two firms and selected Tres Es, Inc. as the Water District's state lobbyist.

**FISCAL IMPACT:**

The public affairs department anticipates to have sufficient funds for the remaining fiscal year (\$15,000) and will incorporate the agreement amount into the fiscal year 2021-22 budget.

**STAFF RECOMMENDATION:**

Staff recommends that this item be submitted for consideration, and that the Board of Directors approve this item and authorize the Interim General Manager to execute the necessary documents.

sm

**ATTACHMENT(S):**

1. Tres Es Inc PSA



# ***West Valley Water District***

***AGREEMENT FOR PROFESSIONAL SERVICES***

***With***

***Tres Es, Inc***

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## **AGREEMENT FOR PROFESSIONAL SERVICES**

This AGREEMENT FOR PROFESSIONAL SERVICES (“Agreement”) effective as of this 6<sup>th</sup> day of May, 2021 (“Effective Date”) is by and between West Valley Water District (“District”) and Tres Es, Inc (“Consultant”). The District and Consultant may be collectively referred to as the “Parties” and individually as a “Party.”

### **RECITALS**

**A.** The Parties desire to enter into this Agreement for the purpose of setting forth the terms and conditions upon which Consultant shall provide certain services to District.

**NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:**

#### **Section 1. Term of Agreement.**

(a) Subject to subsection (b) below, the term of this Agreement will be for a period of one (1) year commencing on the Effective Date and terminating one (1) year after the Effective Date.

(b) This Agreement shall renew automatically for continuous one (1) year periods for no more than two (2) additional years, unless either Party, prior to the end of the existing one (1) year period, delivers written notice to the other Party, that the Agreement shall not be extended.

#### **Section 2. Scope and Performance of Services.**

**2.1** (a) District may, from time to time, by written instructions from the general manager or assistant general manager of the District (“Authorized Representative”) issue task orders (“Task Orders”) to the Consultant. The Task Order shall be in such form and content as shall be set forth on Exhibit “A” attached hereto and by this reference incorporated herein. The Task Order shall set forth: (i) the scope of services to be performed by Consultant; (ii) the compensation to be paid to Consultant; and (iii) the time to complete the Task Order. The provisions of this Agreement shall apply to all such Task Orders.

(b) For each Task Order, Consultant shall confer, as requested, with District representatives to review progress of work elements, adherence to work schedule, coordination of work, scheduling of review and resolution of problems which may develop.

**2.2** Consultant will furnish all of the labor, technical, administrative, professional and other personnel, all supplies and materials, equipment, printing, vehicles, transportation, office space and facilities, and all tests, testing and

analyses, calculation, and all other means whatsoever, except as otherwise expressly specified in this Agreement, necessary or proper to perform and complete the services required of Consultant under this Agreement.

- 2.3** Consultant's designated representative(s) who are authorized to act on its behalf and to make all decisions in connection with the performance of services under this Agreement are listed in Exhibit "B" attached hereto and by this reference incorporated herein ("Key Personnel").
- 2.4** Consultant represents and warrants that it has the qualifications, experience and facilities necessary to properly perform the services required under this Agreement in a thorough, competent and professional manner. Notwithstanding Section 3 below, in the event Consultant utilizes the services of subcontractors or sub-consultants, Consultant assumes sole and complete responsibility for the performance of the subcontractor or sub-consultant to the specifications provided hereunder for Consultant's work, and no adjustment will be made to Consultant's requirements under this Agreement for timely completion of services, complete performance of services, or delivery of products or deliverables in a timely fashion, and no adjustment will be made to performance deadlines, or compensation due to Consultant, due to or arising from issues Consultant may have with any subcontractor or sub-consultant. Consultant will at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described in this Agreement. In meeting its obligations under this Agreement, Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to those required of Consultant under this Agreement.

Consultant warrants it will perform its engineering and design under the Task Order, as more particularly described in Exhibit A ("Task Order") in accordance with the current standards of care and diligence normally practiced by recognized engineering and design firms in performing services of a similar nature. Further, Consultant warrants that the engineering and design performed has been performed in accordance with the then current standards of care and diligence normally practiced by recognized engineering and design firms in performing services of a similar nature. If within one (1) year after substantial completion of the engineering and design work it is shown that there is an error in that work as a result of the Consultant's failure to meet those standards and the District has notified the Consultant in writing of any such error within that period, Consultant shall re-perform such engineering and design work within the original scope of such services, as may be necessary to remedy such error. All costs incurred by Consultant in performing such corrective services shall be the sole responsibility of the Consultant and such costs shall not be reimbursable in any way.

### **Section 3. Additional Services and Changes in Services**



- 3.1 Consultant will not be compensated for any services rendered in connection with its performance of this Agreement that are in addition to or outside of those set forth in the Task Orders, unless such additional services are authorized in advance and in writing by District.
- 3.2 If Consultant believes that additional services are needed to complete a Task Order, Consultant will provide the Authorized Representative with written notification describing the proposed additional services, the reasons for such services, and a detailed proposal regarding cost.
- 3.3 District may order changes to a Task Order, consisting of additions, deletions, or other revisions, and the compensation to be paid Consultant will be adjusted accordingly. All such changes must be authorized in writing, and executed by Consultant and District. The cost or credit to District resulting from changes in a Task Order will be determined by the written agreement between the Parties.

#### **Section 4. Familiarity with Services and Site.**

- 4.1 By executing this Agreement, Consultant warrants that Consultant shall, prior to undertaking a Task Order:
  - (a) investigate and consider the services to be performed;
  - (b) carefully consider how and within what time frame the services should be performed;
  - (c) understand the facilities, difficulties, and restrictions attending performance of the services under a Task Order; and
  - (d) possesses all licenses required under local, state or federal law to perform the services contemplated by a Task Order, and maintain all required licenses during the performance of such Task Order.
- 4.2 If services involve work upon any site, Consultant warrants that Consultant has or will investigate the site and will be fully acquainted with the conditions there existing, before commencing its services under a Task Order. Should Consultant discover any latent or unknown conditions that may materially affect the performance of services, Consultant will immediately inform District of such fact and will not proceed except at Consultant's own risk until written instructions are received from the District.

#### **Section 5. Compensation and Payment.**

- 5.1** Subject to any limitations set forth in this Agreement, District agrees to pay Consultant the amounts shown in a Task Order.
- 5.2** Each month during the existence of a Task Order, Consultant shall furnish District with an original invoice for all services performed and expenses incurred during the preceding month in accordance with the fee schedule set forth in the Task Order. The invoice must detail charges by the following categories: labor (by subcategory), reimbursable costs, subcontractor contracts and miscellaneous expenses. The invoice must list, as applicable, the hours worked and hourly rates for each personnel category, the tasks performed, the percentage of the task completed during the billing period, the cumulative percentage completed for each task, and the total cost of the services.
- 5.3** District will independently review each invoice submitted by Consultant to determine whether the work performed and expenses incurred are in compliance with this Agreement. In the event that no charges or expenses are disputed, the invoice will be approved and paid. In the event any charges or expenses are disputed by District, the original invoice will be returned by District to Consultant for correction and resubmission.
- 5.4** Except as to any charges for work performed or expenses incurred by Consultant that are disputed by District, District will use its best efforts to cause Consultant to be paid within thirty (30) days of receipt of Consultant's invoice.
- 5.5** No payment or partial payment to Consultant shall constitute acceptance of any work completed by Consultant or waive any claims by the District for any reason whatsoever.

**Section 6. Required Documentation Prior to Performance.**

- 6.1** Consultant will not perform any services under this Agreement until:
- (a) Consultant furnishes proof of insurance ("Insurance") as required under Exhibit "C" attached hereto and by this reference incorporated herein; and
  - (b) Consultant provides District with a Taxpayer Identification Number.
- 6.2** The District will have no obligation to pay for any services rendered by Consultant in advance of receiving written authorization to proceed for each Task Order, and Consultant acknowledges that any such services are at Consultant's own risk.

**Section 7. Project Documents.**

- 7.1 All original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer programs, files and other documents (collectively, "Project Documents") prepared, developed or discovered by Consultant in the course of providing services under this Agreement will become the sole property of District and may be used, reused or otherwise disposed of by District without the permission of Consultant. Consultant will take such steps as are necessary to perfect or protect the ownership interest of District in such Project Documents. Upon completion, expiration or termination of this Agreement, Consultant shall turn over to District all such original Project Documents in its possession; provided, however, that Consultant may retain copies of Project Documents.
- 7.2 Except as necessary for the performance of services under this Agreement, no Project Documents prepared under this Agreement, will be released by Consultant to any other person or entity without District's prior written approval. All press releases, including graphic display information to be published, must be approved and distributed solely by District, unless otherwise agreed to in writing by District.

## **Section 8. Consultant's Books and Records.**

- 8.1 Consultant shall maintain any and all documents and records demonstrating or relating to Consultant's performance of services under this Agreement. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, or other documents or records evidencing or relating to work, services, expenditures and disbursements charged to District under this Agreement. Any and all such documents or records must be maintained in accordance with generally accepted accounting principles and must be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by Consultant under this Agreement. Any and all such documents or records must be maintained for three (3) years following the final payment for each Task Order.
- 8.2 Any and all records or documents required to be maintained by this section must be made available for inspection, audit and copying, at any time during regular business hours, upon written request by District or its designated representatives. Copies of such documents or records must be provided directly to District for inspection, audit and copying when it is practical to do so; otherwise, unless an alternative is mutually agreed upon, such documents and records must be made available at Consultant's address indicated for receipt of notices in this Agreement.
- 8.3 Where District has reason to believe that any of the documents or records required to be maintained by this section may be lost or discarded due to dissolution or termination of Consultant's business, District may, by written

request, require that custody of such documents or records be given to a person or entity mutually agreed upon and that such documents and records thereafter be maintained by such person or entity at Consultant's expense. Access to such documents and records shall be granted to District, as well as to its successors-in-interest and authorized representatives.

**Section 9. Status of Consultant.**

- 9.1** Consultant is and will at all times remain a wholly independent contractor and not an officer or employee of District. Consultant has no authority to bind District in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against District, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by District.
- 9.2** The personnel performing the services under this Agreement on behalf of Consultant will at all times be under Consultant's exclusive direction and control. Neither District, nor any elected or appointed boards, officers, officials, employees or agents of District, will have control over the conduct of Consultant or any of Consultant's officers, subcontractors or sub-consultants, employees or agents, except as provided in this Agreement. Consultant warrants that it will not at any time or in any manner represent that Consultant or any of Consultant's officers, employees or agents are in any manner officials, officers, employees or agents of District.
- 9.3** Neither Consultant, nor any of Consultant's officers, employees or agents, will obtain any rights to retirement, health care or any other benefits which may otherwise accrue to District's employees. Consultant expressly waives any claim to any such rights or benefits.

**Section 10. Compliance with Applicable Laws.**

Consultant shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this Agreement.

**Section 11. Conflicts of Interest.**

Consultant covenants that neither Consultant, nor any officer, principal nor employee of its firm, has or will acquire any interest, directly or indirectly, that would conflict in any manner with the interests of District or that would in any way hinder Consultant's performance of services under this Agreement. Consultant further covenants that neither Consultant, nor any officer, principal or employee of its firm will make, participate in the making, or in any way attempt to use the position of Consultant to influence any decision of the District in which Consultant knows or has reason to know that Consultant, or any officer, principal or employee of Consultant has a financial interest as defined in Government Code section 87103.

## **Section 12. Confidential Information; Release of Information.**

- 12.1** All information gained or work product produced by Consultant in performance of this Agreement will be considered confidential to the full extent permitted by law, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than District without prior written authorization from an Authorized Representative, except as may be required by law.
- 12.2** Consultant, its officers, employees, or agents, shall not, without prior written authorization from an Authorized Representative or unless requested by the District counsel, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order will not be considered "voluntary" provided Consultant gives District notice of such court order or subpoena.
- 12.3** If Consultant, or any officer, employee, or agent of Consultant, provides any information or work product (including Project Documents) in violation of this Agreement, then District shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorneys' fees related to any unauthorized disclosure by consultant or, caused by or incurred as a result of Consultant's conduct.
- 12.4** Consultant shall promptly notify District should, Consultant, its officers, employees, or agents be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the services performed under this Agreement. District retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with District and to provide District with the opportunity to review any response to discovery requests provided by Consultant. However, this right to review any such response does not imply or mean the right by District to control, direct, or rewrite such response.

### **Section 13. Indemnification.**

Consultant covenants and agrees that, during the term of this Agreement, any injury suffered as a result of Consultant's services shall be the sole responsibility of Consultant and its successors and assigns and District shall not be liable to Consultant, or any other person or persons whatsoever for any such injury, loss or damage to persons or property unless caused by the negligence or intentional acts of District or its Representatives (as solely defined below). Consultant shall defend, indemnify and hold District, its officers, directors and Representatives ("District Indemnitees") harmless from and against any and all claims, costs, liabilities, debts, demands, suits, actions, causes of action, obligations, proceedings, damages, judgments, liens and expenses of whatever nature, including attorneys' fees and disbursements (collectively, "Claims") which may be made against the District Indemnitees arising out of or in connection with (a) the retention by District of Consultant's services; (b) the performance of or failure to perform, the work covered by this Agreement which is caused or occasioned by any act, action, neglect on the part of Consultant, or its Representatives, in the performance of this Agreement and the work to be done under this Agreement; (c) the death and/or injury to any person or damage to any property (real or personal) and/or economic loss which may be caused or is claimed to have been caused, by the negligence, act or omission of Consultant or its Representatives or its or their property; (d) any violation or alleged violation by Consultant of any law or regulation now or hereafter enacted; and (e) any breach by Consultant of its obligations under this Agreement. The foregoing indemnity shall not apply to the extent any such Claims are ultimately established by a court of competent jurisdiction to have been caused by the negligence or willful misconduct of the District Indemnitees or any of them. District shall make all decisions with respect to its representation in any legal proceeding concerning this section. If Consultant fails to do so, District shall have the right, but not the obligation, to defend the same and charge all of the direct or incidental Claims of such defense, including attorneys' fees and costs, to Consultant and to recover the same from Consultant. The term "Representatives" shall mean employees, representatives, agents, contractors, subcontractors or any other persons directly or indirectly employed by any one of the foregoing or reasonably under the control of any of the foregoing or for whose acts any of the foregoing may be liable.

### **Section 14. Insurance.**

Consultant agrees to obtain and maintain in full force and effect during the term of this Agreement the Insurance coverages listed in Exhibit "C." All Insurance policies shall be subject to approval by District as to form and content. These requirements are subject to amendment or waiver if so approved in writing by an Authorized Representative.

**Section 15. Assignment.**

- 15.1** The expertise and experience of Consultant are material considerations for this Agreement. District has an interest in the qualifications of and capability of the persons and entities that will fulfill the duties and obligations imposed upon Consultant under this Agreement. Consultant may not assign or transfer this Agreement or any portion of this Agreement or the performance of any of Consultant's duties or obligations under this Agreement without the prior written consent of District. The District can withhold its approval/consent in its sole and absolute discretion. Any attempted assignment will be null and void, and will constitute a material breach of this Agreement entitling District to any and all remedies at law or in equity, including summary termination of this Agreement.
- 15.2** Consultant must obtain District's prior written approval before utilizing any subcontractors to perform any services under this Agreement, which approval may be withheld in District's sole and absolute discretion. This written approval must include the identity of the subcontractor and the terms of compensation. Approval by District does not imply any agreement to or endorsement by the District as to the competency or capability of any proposed subcontractor or sub-consultant, and District reserves any and all rights against both Consultant and such subcontractor or sub-consultant, for any failure to perform or other breach of any of the provisions of this Agreement, or the standards of performance defined herein, and no waiver is intended or to be implied by District's approval of any subcontractor or sub-consultant.

**Section 16. Termination of Agreement.**

- 16.1** District may terminate this Agreement, with or without cause, at any time by written notice of termination to Consultant. In the event such notice is given, Consultant shall cease immediately all work in progress.
- 16.2** Upon termination of this Agreement, all property belonging exclusively to District which is in Consultant's possession must be returned to District. Consultant shall promptly deliver to District a final invoice for all outstanding services performed and expenses incurred by Consultant as of the date of termination. Compensation for work in progress not based on an hourly rate will be prorated based on the percentage of work completed as of the date of termination.
- 16.3** Consultant acknowledges District's right to terminate this Agreement as provided in this section, and hereby waives any and all claims for damages that might otherwise arise from District's termination of this Agreement.

## Section 17. Notices.

**17.1** All written notices required or permitted to be given under this Agreement will be deemed made when received by the other Party at its respective address as follows:

To District: West Valley Water District  
855 West Base Line Road  
P. O. Box 920  
Rialto, CA 92377  
Attention: Shamindra Manbahal  
Interim General Manager

(Tel.) 909-875-1804  
(Fax) 909-875-1849

To Consultant: Tres Es, Inc  
Attn: Richard Polanco  
3701 Glenalbyn Dr  
Los Angeles, CA 90065  
(916) 826-1872  
Senpolanco22@gmail.com

**\*\* Please send all invoices by:**

**Email:** [apinvoices@wvwd.org](mailto:apinvoices@wvwd.org)

or

**Mail:** *West Valley Water District  
Accounts Payable  
P.O. Box 920  
Rialto, CA 92377*

**17.2** Notice will be deemed effective on the date personally delivered or transmitted by facsimile. If the notice is mailed, notice will be deemed given three (3) days after deposit of the same in the custody of the United States Postal Service, postage prepaid, for first class delivery, or upon delivery if using a major courier service with tracking capabilities.

**17.3** Any Party may change its notice information by giving notice to the other Party in compliance with this section.



## Section 18. General Provisions.

- 18.1 Authority to Execute.** Each Party represents and warrants that all necessary action has been taken by such Party to authorize the undersigned to execute this Agreement and to bind it to the performance of its obligations hereunder.
- 18.2 Binding Effect.** Subject to Section 15, this Agreement is binding upon the heirs, executors, administrators, successors and assigns of the Parties, including any subcontractors or sub-consultants of Consultant.
- 18.3 Entire Agreement.** This Agreement, including the attached Exhibits “A” through “C,” is the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed in this Agreement and supersedes all other agreements or understandings, whether oral or written, between Consultant and District prior to the execution of this Agreement.
- 18.4 Modification of Agreement.** No amendment to or modification of this Agreement will be valid unless made in writing and approved by Consultant and approved in writing by the Board of Directors of the District, or in writing by the General Manager, if such power has been delegated to General Manager. The Parties agree that this requirement for written modifications cannot be waived and that any attempted waiver will be void.
- 18.5 Facsimile Signatures.** Amendments to this Agreement will be considered executed when the signature of a Party is delivered by facsimile transmission. Such facsimile signature will have the same effect as an original signature.
- 18.6 Waiver.** Waiver by any Party to this Agreement of any term, condition, or covenant of this Agreement will not constitute a waiver of any other term, condition, or covenant. Waiver by any Party of any breach of the provisions of this Agreement will not constitute a waiver of any other provision, or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by District of any services by Consultant will not constitute a waiver of any of the provisions of this Agreement.
- 18.7 Interpretation.** This Agreement will be interpreted, construed and governed according to the laws of the State of California. Each Party has had the opportunity to review this Agreement with legal counsel. The Agreement will be construed simply, as a whole, and in accordance with its fair meaning, and without resort to rules regarding draftsmanship. It will not be interpreted strictly for or against either Party.
- 18.8 Severability.** If any provision of this Agreement shall be ruled invalid, illegal or unenforceable, the Parties shall: (a) promptly negotiate a substitute for the provisions which shall to the greatest extent legally permissible, effect the intent of the Parties in the invalid, illegal or unenforceable provision, and (b) negotiate such changes in, substitutions for or additions to the remaining

provisions of this Agreement as may be necessary in addition to and in conjunction with subsection (a) above to give effect to the intent of the Parties without the invalid, illegal or unenforceable provision. To the extent the Parties are unable to negotiate such changes, substitutions or additions as set forth in the preceding sentence, and the intent of the Parties with respect to the essential terms of the Agreement may be carried out without the invalid, illegal or unenforceable provisions, the balance of this Agreement shall not be affected, and this Agreement shall be construed and enforced as if the invalid, illegal or unenforceable provisions did not exist.

- 18.9 Venue.** The Parties agree any action or proceeding to enforce or relating to this Agreement shall be brought exclusively in the federal court located in Riverside County, California or state court located in San Bernardino County, California and the Parties hereto consent to the exercise of personal jurisdiction over them by such courts for purposes of any such action or proceeding.
- 18.10 Disputes.** If any disputes should arise between the Parties concerning the work to be done under this Agreement, the payments to be made, or the manner of accomplishment of the work, Consultant shall nevertheless proceed to perform the work as directed by District pending settlement of the dispute.
- 18.11 Cooperation.** Consultant shall cooperate in the performance of work with District and all other agents.
- 18.12 Time of Essence.** Time shall be of the essence as to all dates and times of performance contained in this Agreement.
- 18.13 Counterparts.** This Agreement may be signed and delivered in any number of counter parts, each of which, when signed and delivered, shall be an original, but all of which shall together constitute one and the same Agreement.

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed effective as of the day and year first above written.

**DISTRICT:**

**WEST VALLEY WATER DISTRICT,  
a public agency of the State of California**

By \_\_\_\_\_  
Channing Hawkins, President

By \_\_\_\_\_  
Shamindra Manbahal, Interim General Manager

By \_\_\_\_\_  
Peggy Asche, Board Secretary

**APPROVED AS TO FORM:**

**TAFOYA LAW GROUP, APC**

By \_\_\_\_\_  
Robert Tafoya

**CONSULTANT:**

Tres Es, Inc

By \_\_\_\_\_

Name \_\_\_\_\_

Its \_\_\_\_\_

**EXHIBIT A**  
**TASK ORDER**

**TASK ORDER NO.   1**

This Task Order (“Task Order”) is executed this 6th day of May, 2021 by and between West Valley Water District, a public agency of the State of California (“District”) and Tres Es, Inc (“Consultant”).

**RECITALS**

- A. On or about May 6, 2021 District and Consultant executed that certain Agreement for Professional Services (“Agreement”).
- B. The Agreement provides that the District will issue Task Orders from time to time, for the provision of certain services by Consultant.
- C. Pursuant to the Agreement, District and Consultant desire to enter into this Task Order for the purpose of setting forth the terms and conditions upon which Consultant shall render certain services to the District.

**NOW, THEREFORE, THE PARTIES HERETO HEREBY AGREE AS FOLLOWS:**

1. Consultant agrees to perform the services set forth on Exhibit “1” attached hereto and by this reference incorporated herein.
2. Subject to any limitations in the Agreement, District shall pay to Consultant the amounts specified in Exhibit “2” attached hereto and by this reference incorporated herein. The total compensation, including reimbursement for actual expenses, may not exceed the amount set forth in Exhibit “2,” unless additional compensation is approved in writing by the District.
3. Consultant shall perform the services described in Exhibit “1” in accordance with the schedule set forth in Exhibit “3” attached hereto and by this reference incorporated herein. Consultant shall commence work immediately upon receipt of a notice to proceed from the District. District will have no obligation to pay for any services rendered by Consultant in advance of receipt of the notice to proceed, and Consultant acknowledges that any such services are at Consultant’s own risk.
4. The provisions of the Agreement shall apply to this Task Order. As such, the terms and conditions of the Agreement are hereby incorporated herein by this reference.

**[SIGNATURES APPEAR ON FOLLOWING PAGE]**

**IN WITNESS WHEREOF**, the parties have caused this Task Order to be executed effective as of the day and year first above written.

**DISTRICT:**

**WEST VALLEY WATER DISTRICT,  
a public agency of the State of California**

\_\_\_\_\_  
Channing Hawkins, President

\_\_\_\_\_  
Shamindra Manbahal, Interim General  
Manager

\_\_\_\_\_  
Peggy Asche, Board Secretary

**CONSULTANT:**

**Tres Es, Inc**

By \_\_\_\_\_  
Name \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_  
Name \_\_\_\_\_  
Its \_\_\_\_\_

**EXHIBIT “1”**  
**TO**  
**TASK ORDER NO.   1**

**SCOPE OF SERVICES**

**The Consultant will act as the Sacramento, California lobbyist and government relations representative of the West Valley Water District, and will perform the following scope of required services at a minimum:**

- 1. Identify, monitor and advise the District on State legislative, budgetary and intergovernmental matters that could have a significant impact on the water district’s fiscal, operational and environmental health, and the overall quality of life enjoyed by West Valley Water District residents.**
- 2. Provide the District with copies of bills, amendments, committee reports; State agency rules, regulations or reports; budget proposals and other reasonably available information that is pertinent to the District’s governmental affairs programs.**
- 3. Serve as the District’s advocate and liaison, helping foster and maintain strong bipartisan working relationships between the District and its representatives in the State Legislature, with legislative committee members, State agencies and Governor’s Office representatives; scheduling and facilitating meetings, preparing briefing papers and talking points, presenting testimony, preparing and submitting letters and facilitating direct communication with District officials.**
- 4. Provide periodic written reports (at least monthly) and present such reports to the Board of Directors and management as requested regarding State activities pertinent to the District.**
- 5. Participate in regularly scheduled calls (at least bi-weekly) with District staff to provide information and advice regarding State activities pertinent to the District.**
- 6. Provide support to the Board of Directors and management in conducting an annual review and as-needed updates to the District’s Legislative Platform and Legislative Priorities.**
- 7. Assist the District in identifying local and regional legislative needs, pursuing bill sponsorship opportunities, building coalitions and advocating for passage of sponsored legislation, as needed.**

- 8. Develop and implement strategies in coordination with District staff to advance District positions on matters pertinent to the district's Legislative Platform.**
- 9. Coordinate the District's advocacy strategies with the Association of California Water Agencies and other associations and advocacy organizations that share the District's position on matters that are pertinent to the District's Legislative Platform.**
- 10. Serve as liaison between the District and its representatives in the State Senate and Assembly; developing and implementing short-term and long range strategies to generate support for the District's policies, projects and programs among members of the State Legislature, legislative committees, the Governor's Office and State agencies; and assisting the District's representatives in any matter which furthers the objectives of the District's outreach programs.**
- 11. Prepare and present an annual report to the District and Board of Directors external affairs committee summarizing the lobbying and government relations activities and results achieved on legislative, budgetary and other intergovernmental matters advocated or advanced on behalf of the agency during the year.**
- 12. On behalf of the District, fulfill State registration and reporting requirements imposed on lobbyists, as required by law.**
- 13. Maintain and present an ongoing list of potential grant funds that District should seek from state agencies.**



**EXHIBIT "2"**  
**TO**  
**TASK ORDER NO.   1**

**COMPENSATION**

**Not to Exceed Monthly Retainer Fee of \$7,500.00 per month**

Monthly Retainer Fee will include all reasonable and customary business expenses incurred by the Consultant/Firm including to but not limited to airfare, hotel, car rental, food, insurance, gasoline, mileage, photocopying, telephone calls, parking, transportation and any other expenses incurred by the Consultant/Firm related to the District.

**EXHIBIT "3"**  
**TO**  
**TASK ORDER NO. 1**  
**SCHEDULE**

**Schedule to be determined by District Staff.**

**EXHIBIT B****KEY PERSONNEL**

Consultant's designated representative(s) who are authorized to act on its behalf and to make all decisions in connection with the performance of services under this Agreement are:

Richard Polanco - Lobbyist

EXHIBIT C  
INSURANCE

### INSURANCE

A. **General Requirements.** Before commencing the performance of services under this Agreement, and at all other times this Agreement is effective, Consultant must procure and maintain the following types of insurance with coverage limits complying, at a minimum, with the limits set forth below:

<u>Type of Insurance</u>	<u>Limits (combined single)</u>
Commercial General Liability:	\$1,000,000
Business Automobile Liability	\$1,000,000
Professional Liability	\$1,000,000
Workers Compensation	Statutory Requirement

B. **Commercial General Liability Insurance.** The amount of insurance set forth above must be a combined single limit per occurrence for bodily injury, personal injury, and property damage for the policy coverage. The insurance must be on an “occurrence” not a “claims made” basis.

C. **Business Automobile Insurance.** Automobile coverage must be written on forms subject to the written approval of District.

D. **Professional Liability Insurance.** This coverage must be on an “occurrence” basis, including coverage for contractual liability. The Professional Liability Insurance required by this Agreement must be endorsed to be applicable to claims based upon, arising out of or related to services performed under this Agreement.

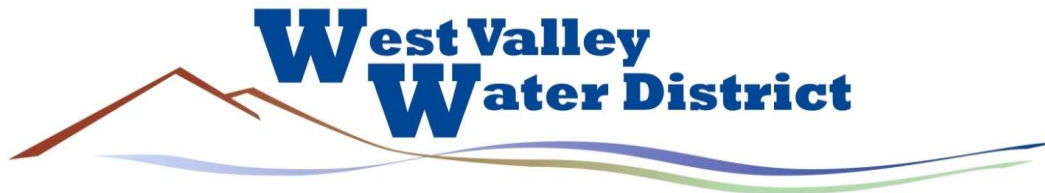
E. **Workers Compensation.** Consultant must have a State of California approved policy form providing the statutory benefits required by law with employer’s liability limits of no less than \$1,000,000 per accident for all covered losses, or Consultant must provide evidence of an approved self-insurance program.

F. **Additional Insureds.** Each Commercial General Liability Insurance policy and Business Auto Insurance policy must provide that the District, its officials, officers, employees, agents and volunteers are “additional insureds” under the terms of the policy, and must provide that an act or omission of one the insureds will not reduce or avoid coverage to the other insureds.

G. **Deductibles and Self-Insured Retention.** Any deductibles or self-insured retentions applicable to the insurance policies required under this Agreement must be declared to and approved by District. In no event may any required insurance policy have a deductible, self-insured retention or other similar policy provision in excess of \$50,000 without prior written approval by District in its sole discretion. At the option of District, either the insurer will reduce or eliminate such deductibles or self-insured retentions with respect to the District’s additional insureds or Consultant will procure a bond guaranteeing payment of any losses, damages, expenses, costs or settlements up to the amount of such deductibles or self-insured retentions.

- H. **Primary Insurance.** Each of the insurance policies maintained by Consultant under this Agreement must state that such insurance will be deemed “primary” so that any insurance that may be carried by District will be deemed excess to that of Consultant. This endorsement must be reflected on forms as determined by District.
- I. **Certificates of Insurance and Endorsements.** Prior to commencing any services under this Agreement, Consultant must file with the District certificates of insurance and endorsements evidencing the existence of all insurance required by this Agreement, along with such other evidence of insurance or copies of policies as may reasonably be required by District. These certificates of insurance and endorsements must be in a form approved by the Legal Counsel. Consultant must maintain current certificates and endorsements on file with District during the term of this Agreement reflecting the existence of all required insurance. Each of the certificates must expressly provide that no material change in the policy, or termination thereof, will be effective except upon 30 days’ prior written notice to District by certified mail, return receipt requested. The delivery to District of any certificates of insurance or endorsements that do not comply with the requirements of this Agreement will not waive the District’s right to require compliance.
- J. **Insurance Rating.** All insurance required to be maintained by Consultant under this Agreement must be issued by companies licensed by or admitted to conduct insurance business in the State of California by the California Department of Insurance and must have a rating of A or better and Class VII or better by the latest edition of A.M. Best’s Key Rating Guide.
- K. **Aggregate Limits.** The aggregate limits for each insurance policy required under this Agreement must apply separately and solely to the services performed under this Agreement. If the required policies do not have an endorsement providing that the aggregate limit applies separately to the services being performed, or if defense costs are included in the aggregate limit, then the required aggregate limits must be increased to an amount satisfactory to District.
- L. **Waiver of Subrogation Rights.** Consultant and each insurer providing any insurance required by this Agreement must waive all rights of subrogation against District, its officials, officers, employees, agents and volunteers, and each insurer must issue a certificate to the District evidencing this waiver of subrogation rights.
- M. **Failure to Maintain Required Insurance.** If Consultant, for any reason, fails to obtain and maintain the insurance required by this Agreement, District may obtain such coverage at Consultant’s expense and deduct the cost of such insurance from payments due to Consultant under this Agreement or may terminate the Agreement.
- N. **Effect of Coverage.** The existence of the required insurance coverage under this Agreement shall not be deemed to satisfy or limit Consultant’s indemnity obligations under this Agreement. Consultant acknowledges that the insurance coverage and policy limits set forth in this Agreement constitute the minimum coverage and policy limits required. Any insurance proceeds available to District

in excess of the limits and coverage required by this Agreement, and which is applicable to a given loss, must be made available to District to compensate it for such losses.



**BOARD OF DIRECTORS  
STAFF REPORT**

**DATE:** May 6, 2021  
**TO:** Board of Directors  
**FROM:** Shamindra Manbahal, Interim General Manager  
**SUBJECT:** AGREEMENT WITH MIKE ROQUET CONSTRUCTION FOR AS-NEEDED SERVICES FOR PERMANENT TRENCH PAVING

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**BACKGROUND:**

West Valley Water District serves approximately 90,000 customers and growing in the communities of Bloomington, Colton, Fontana, Rialto, parts of unincorporated areas in San Bernardino, and Jurupa Valley in Riverside County. Currently the District has approximately 609 miles of distribution piping, 3,518 fire hydrants, 10,419 system valves and 22, 919 active service connections.

District staff is involved in daily maintenance of the water distribution system, as well as all underground water infrastructure for the District. When excavation work is required to repair a leak, the excavated area or trench is then backfilled, soil compaction tested, covered with cold mix blacktop as a temporary patch and finally restored with permanent pavement by a paving contractor in conformance with the local Cities' and Counties' standards for trench work.

District staff has identified a need to secure a maintenance contract with a qualified, experienced paving contractor to provide permanent trench paving, on an on-call, as-needed basis. The firm shall be licensed (C-12) Paving & Earthwork Contractor and (A) General Engineering Contractor in the State of California.

**DISCUSSION:**

On February 18, 2021, a Request for Proposal ("RFP") was issued and publicly advertised on PlanetBids. Four (4) firms – Mike Roquet Construction Inc. ("MRC"), Hardy & Harper, Inc. ("HHP"), GM Sager Construction ("GMS") and Onyx Paving Company. ("OPC") – submitted proposals. Attached as **Exhibit A** is the RFP for On-Call Permanent Trench Paving. The proposed contract term is for an annual contract with two (2) one-year extension options.

Based on the information received, District staff determined Mike Roquet Construction Inc is the highest scoring proposal in conformance with the requirements of the project. The proposal received by GM Sager failed to show required Class C-12 license as required by the RFP stated on PlanetBids, thus eliminating GM Sager from further consideration. See evaluation criteria and results below:



<b>Evaluation Criteria</b>	<b>MRC</b>	<b>HHI</b>	<b>OPC</b>
Qualifications and Experience 10%	10	10	9
Capability 25%	20	17	21
References 5%	2	2	2
Compliance/Completeness 10%	6	5	5
Budget 50%	47	44	35
<b>Total Proposal Points Awarded</b>	<b>85</b>	<b>78</b>	<b>72</b>

**FISCAL IMPACT:**

The cost to perform annual permanent trench paving is included in the Fiscal Year 2020/21 Operating Budget and will be funded from project number GL Code 100-5410-540-5612 titled “Repair & Maintenance/Street Patching” with a budget of \$101,083.00. All performance pursuant to this agreement shall be on an “on-call” or “as-needed” basis. Any tasking shall be initiated solely by the District. Moreover, execution of the agreement by the District shall not entitle the contractor to any form of payment or compensation from the District without first having issued tasking or request for services from the contractor.

**STAFF RECOMMENDATION:**

Staff recommends that this item be submitted for consideration, and that the Board of Directors approve this item and authorize the Interim General Manager to execute the necessary documents.

Respectfully Submitted,

*Shamindra Manbahal*

---

Shamindra Manbahal, Interim General Manager

SM:RO

**ATTACHMENT(S):**

1. Exhibit A - RFP
2. Exhibit B - MRC RFP
3. Exhibit C - Technical Proposal Score Sheets

**MEETING HISTORY:**

04/14/21      Engineering, Operations and Planning Committee      REFERRED TO BOARD

# EXHIBIT A



**REQUEST FOR PROPOSALS (RFP)  
AS-NEEDED SERVICES FOR PERMANENT TRENCH PAVING**

**INVITATION**

The West Valley Water District (“District”) is seeking the services of a qualified, experienced contractor to provide As-needed Permanent Trench Paving Work.

No proposals shall be submitted after **5:00 p.m. on Thursday, March 4, 2021 electronically on Planet Bids**. Late qualification documents will not be accepted.

During the RFP process, consultants shall direct all questions on Planet Bids. Responses to questions received four (4) days prior to the RFP deadline will not be available. If there is any revision to the RFP, an addendum will be issued on Planet Bids (PB) and made available to all firms receiving RFP documents.

**BACKGROUND**

West Valley Water District (“District”) is a County Water District, a public agency of the State of California, organized and existing under the County Water District Law (Division 12, Section 30,000 of the Water Code) of the State of California. The District serves water to over 20,000 connections within the Cities of Rialto, Fontana, Colton, Jurupa Valley (Riverside County) and to unincorporated areas of San Bernardino County. The District’s service area includes a large amount of undeveloped land which is described in various specific plans.

The District’s distribution system includes eight pressure zones which are divided into a northern and southern system with the City of Rialto serving the area in between. The system includes 72.61 million gallons of storage capacity, 12 booster pump stations, 17 active production wells, several treatment facilities and over 150 miles of transmission lines.

Water supplies include groundwater from District wells in 4 groundwater basins, from imported State Water Project water and Lytle Creek surface flows treated at the Oliver P. Roemer Water Filtration Facility, from water purchased through the Base Line Feeder pipeline and from groundwater treated at our new Groundwater Wellhead Treatment System.

**PROJECT DESCRIPTION**

The work to be done shall consist of furnishing all the required labor, materials, equipment, parts, implements, supplies and permits necessary for, or appurtenant to, the construction and completion of the permanent trench paving work and side walk, curb and gutter spot repairs. **The Contractor must possess a valid Class A and C-12 contractor license issued by the California Department of Consumer Affairs Contractors State License Board at the time of submitting a Proposal.**

The District wishes to award an annual contract with two (2) one-year extensions options, as such; work orders will be issued by authorized District staff periodically throughout the term of the contact. The District makes no guarantees, expressed or implied, as to the actual number of pavement repair/construction projects to be assigned during any term of the awarded contract.

**SCHEDULE OF EVENTS**

2/18/2021	Issuance of Request for Proposals
2/25/2021	Deadline for Written Questions
3/4/2021	Proposals Due by 5:00 PM
March/April 2021	District Approval of Contract (est. date)
April/May 2021	Issuance of Notice-to-Proceed (est. date)

## **SCOPE OF WORK**

Although the District is attempting to identify the limits and services required, this should not unnecessarily limit the firm in the development of a scope it believes is necessary to meet the District's goals and objectives. In general terms, the contract work for this project shall consist of the following items of work:

- Construct – Pavement Repair, Including Remove and Dispose Temporary AC Pavement, Furnish and Place Minimum 4" Asphalt Concrete
- Construct – Pavement Repair, Including Remove and Dispose Temporary AC Pavement, Furnish and Place Minimum 5" Asphalt Concrete
- Construct – Pavement Repair, Including Remove and Dispose Temporary AC Pavement, Furnish and Place Minimum 6" Asphalt Concrete
- Cold Mill AC Pavement, 1-1/2" Depth, Construct Asphalt Concrete Pavement Overlay, 1-1/2"
- The Trench Shall be "T" Cut to 1' Outside the Trench Width onto Undisturbed Ground
- Construct Thermoplastic Pavement Markings
- Construct Paint with Glass Beads Pavement Markings
- Sidewalk Spot Repairs, Remove and Replace Within District's Service Area
- Remove and Replace Curb and Gutter with 24" min. wide Curb and Gutter Within District's Service Area

All work shall conform to all applicable Industry, Federal, State and Local Laws, Codes, Ordinances, OSHA requirements and standards, and local Cities' standards for trench work.

Contractor shall obtain all required permits such as encroachment, inspection, etc. with the local governing agencies.

Site protection /cleanup: Contractor is responsible for the proper handling of materials to include discard of debris and keeping the work site clean.

Contractor shall restore all areas and objects that were damaged or disrupted due to construction activities to a condition as good as existing prior to construction.

Contractor is responsible for providing and maintaining traffic control at the locations of the work site. Public travel through the work shall be impeded or obstructed as little as possible.

## **PROPOSAL REQUIREMENTS**

Although the District requires no specific format, this section is intended to provide guidelines to the firm regarding features that the District will look for and expect to be included in the proposal.

### **1. Content & Format**

The District requests that proposals submitted be organized and presented in a neat and logical format and are relevant to these services. The Firms proposals shall be clear, accurate and comprehensive. Excessive or irrelevant material will not be favorably received.

**Proposals must include the following:**

- **Transmittal/offer letter signed by an individual authorized to act on behalf of the Firm.**
- **Page numbering.**
- **Index/Table of Contents.**
- **Statement of Qualifications, minimum (5) Years Experience, and minimum (3) Public Agency References.**
- **Brief resumes of key staff.**
- **Team Organization.**
- **Completion of the cost and billing schedules for each of the specialized skills, materials, and support services (please see Attachment "A").**

**2. Team Organization**

The purpose of this section is to describe the organization of the project team including subcontractor and key staff. A project manager shall be named who shall be the prime contact and be responsible for coordinating all activities with the District. An organization diagram shall be submitted showing all key team members and illustrating the relationship between the District, the project manager, key staff, and subcontractor. There also should be a brief description of the role and responsibilities of all key staff and subcontractor identified in the team organization.

**3. Statement of Qualifications**

The information provided in this section should describe the qualifications of the firm and key staff in performing projects within the past five years that are similar in scope and size to demonstrate competence to perform these services. The projects listed should be those that the key staff named for this project were responsible for performing. Information shall include:

- Names of key staff that participated on named projects and their specific responsibilities.
- The client's name, contact person, addresses, and telephone numbers.
- A brief description of type and extent of services provided.
- Completion dates (estimated, if not yet completed).
- Total costs of the projects.
- The Firm shall maintain an office staffed with qualified technical and field personnel.
- The Firm shall provide a list of rigs, equipment, etc., owned by the Firm and available to do this work.

There should be included in the section brief resumes of key personnel who will provide these services demonstrating their qualifications and experience. Resumes should highlight education, relevant experience, licenses, and specific responsibilities for services described.

#### **4. Fee Proposal**

All Firms shall provide complete cost and billing schedules for each of the specialized skills, materials, and support services in Attachment "A".

This information will be used by the District staff to evaluate the reasonableness of the fee proposal and may be used in negotiating the final fee amounts for the contract agreement.

The Firms will be ranked and the District shall select the top ranked Firms, at the sole discretion of the District, and enter into contracts for the as-needed services described above.

Reimbursable expenses shall not be allowed unless negotiated prior to a contract.

Price escalations during the contract term are disfavored and will not be allowed unless negotiated prior to execution of contract.

The Firm shall prepare progress billings, reflective of the project schedule and the scope of work completed, by line item and description.

### **GENERAL REQUIREMENTS**

#### **1. Proposals**

Proposals must be submitted on blank forms prepared and furnished with this Request for Proposals, for that purpose. Contractors may obtain copies of the specifications through the District's Planet Bids (PB) electronic bidding system. Only proposals submitted in electronic format through the District's PB site will be accepted.

#### **2. Prevailing Wages**

Contractors on this Work will be required to comply with the President's Executive Order No. 11246 (Equal Employment Opportunity Clause) as amended, California Government Code Section 12900 et. seq., California Labor Code Section 177.6 and implementing regulations concerning equal opportunity for Apprentices.

The Director of the Department of Industrial Relations has ascertained the general prevailing rate of per diem wages and the general rate for holiday and over-time work in the locality in which the work is to be performed for each craft or type of

workmen needed to execute the Contract of Work as hereinafter set forth (see Labor Code 1770 et. seq., effective January 1, 1977). Copies of the rates are available online at <http://www.dir.ca.gov/oprl>. The successful Contractor shall provide a copy of such determinations to each crew working on this maintenance contract. Attention is called to the fact that not less than the minimum salaries and wages shall be paid on these Projects by all Contractors and Subcontractors.

Pursuant to Section 1740 of the California Labor Code, contractors are notified that the said wage rates shall be subject to modification to comply with revisions in Federal Minimum Wage schedules without necessity of republication.

### **3. Department of Industrial Relations Compliance**

West Valley Water District requires all contractors/vendors to be registered with the State of California Department of Industrial Relations (DIR). This provision applies to all public works contracts in excess of \$15,000 or more. *Public Works* is defined as “*construction, alteration, demolition and installation, or repair work (including maintenance) performed under a contract utilizing public funds.*” **All bidders or contractors must provide proof of registration with the DIR in their proposals or the bid will be rejected.**

### **4. Workers Compensation Clause**

The Contractor and its Subcontractor(s) shall comply with the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for worker’s compensation or to undertake self-insurance in accordance with the provisions of that code.

### **5. Payment**

Payments will be made to the Contractor in accordance with the provisions of the specifications and on itemized estimates duly certified by the Contractor and approved by the District. Payment shall not be made more often than once each thirty (30) days.

### **6. Award and Execution**

The award of contract, if made, will be made within thirty (30) calendar days from the date of the bid opening.

The Contractor shall execute the Agreement within fifteen (15) days from the date of the Notice of Award.

The Contractor shall receive the Notice to Proceed within ten (10) days from the date of the execution of the Agreement by the District and shall commence the maintenance work 10 days from the date of the Notice to Proceed. If at any time the Contractor fails to perform the scheduled work, the District shall be notified in writing of the reason why the work was not performed and an alternate date



scheduled with the District's Maintenance Supervisor. If the Contractor fails to perform the scheduled maintenance for more than thirty days, they will be notified in writing of the District's intent to terminate the contract.

The District hereby reserves the right to reject any and all proposals or to waive any irregularity. No bidder may withdraw his bid and the bid is to remain firm for a period of ninety (90) days after bid opening.

## **7. Contractual Documents**

Contractual Documents, including specifications, may be downloaded through the District's Planet Bids (PB) System.

### **EVALUATION PROCESS AND SELECTION CRITERIA**

The District's evaluation and selection process is based upon Qualifications Based Selection (QBS) for professional services. The following criteria will be used in evaluating the proposals using a point value system (100 points) based upon the weighting indicated below:

1. Qualifications and experience of the project manager and other key individuals. (10 points)
2. Capability to perform necessary tasks, resolve problems, warranty, safety records, timeliness of repairs, and maintain a full service shop with all necessary equipment required for the specified projects. (25 points)
3. Results of reference checks. (5 points)
4. Quality of proposal including compliance with proposal requirements. (10 points)
5. Rationality of firm's fee schedule. (50 points)

District staff will rank the responsive Firms and District staff will negotiate a contract with one or two top ranked Firms, at the sole discretion of the District. Should District staff be unable to negotiate a satisfactory contract with one or more of those Firms, the District staff will terminate negotiations and may continue the negotiation process with the next most qualified Firm in the order of their evaluation ranking until an agreement is reached with the number of Firms desired by the District.

Please refrain from making any verbal inquires and requests for a formal debriefing related to the subject RFP until the West Valley Water District completes the ongoing contract process.

### **ATTACHMENTS**

Attachment A – Cost and Billing Schedule

**ATTACHMENT A**

**Billing Schedule and Hourly Rates**

**Name of Firm:** \_\_\_\_\_

## Cost and Billing Schedules

### Asphalt Remove & Replace (price per square foot)

	4 Inch	6 Inch	8 Inch	Grind 1/10 Ft & Replace
Minimum: Up to 50 SF				
51-100				
101-500				
501-2,000				
2,001-15,000				
15,001-30,000				

### Concrete Remove & Replace (Price Per Square Foot)

	4-inch sidewalk	6-inch sidewalk	6-inch curb & gutter
0-50 SF			
51-200 SF			
201-2000			
2,001-3,000			

### 6 Inch Curb & Gutter (New) Price per linear foot

	Unit Price
Minimum: up to 10 LF	
11-100	
101-500	
501-2,000	

### 6 Inch Asphalt Berm (New) Price per linear foot

	Unit Price
Minimum: up to 10 LF	
11-100	
101-500	
501-2,000	

### Striping & Pavement Markers

	Minimum Amount 20 Linear foot or less
Thermoplastic Paint with glass beads	
Striping Paint-conventional two coats with glass beads	
Pavement Markers	

# EXHIBIT B



March 4, 2021

West Valley Water District  
855 W. Baseline Road  
Rialto, CA  
Attn: Al Robles

I am the president of Mike Roquet Construction Inc. and I offer this package and proposal for As-needed/On-call Permanent Trench Paving 2021.

A handwritten signature in black ink, appearing to read "Mike Roquet", is written over a horizontal line.

Mike Roquet  
President  
Mike Roquet Construction Inc.

*P.O. Box 539, Highland, CA 92346 (951) 533-3797*

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Team Organization	page 7
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## Company Statement of Qualifications

Mike Roquet Construction Inc. has been operating as a paving contractor specializing in utility trench paving since 2015. The company, equipment, and employees previously existed under the corporation name Roquet Paving Inc., founded in 1975.

### *Previous projects:*

West Valley Water District  
855 W. Baseline Rd., Rialto (909) 875-1804  
Contact: Rudy Olguin  
Project: corporate office parking lot repair. 2018  
Project amount: \$50,000.00  
Staff member – Mike Roquet, project manager  
Staff member – Ed Duran, project foreman  
Staff member – Terri Tate, office manager  
Staff member – Dan Fitzgerald, project estimator  
Project location: 855 W. Baseline Rd., Rialto  
Scope of Work: Patching, crack-filling, seal coating, and striping front and back parking lots.

West Valley Water District  
855 W. Baseline Rd., Rialto (909) 875-1804  
Contact: Diana Gunn  
Project: Annual on-call trench patching, 2018  
Project amount: \$200,000.00  
Staff member – Mike Roquet, project manager  
Staff member – Ed Duran, project foreman  
Staff member – Terri Tate, office manager  
Staff member – Dan Fitzgerald, project estimator  
Project location: Various locations throughout WVWD streets  
Scope of Work: patch, grind, overlay, and repair asphalt streets due to utilities

West Valley Water District  
855 W. Baseline Rd., Rialto (909) 875-1804  
Contact: Al Robles  
Project: Reinforced Concrete Material Bin construction, June 2018  
Project amount: \$150,000.00  
Staff member – Mike Roquet, project manager  
Staff member – Ed Duran, project foreman  
Staff member – Terri Tate, office manager  
Staff member – Dan Fitzgerald, project estimator  
Project location: Linden & Vineyard, Rialto, CA  
Scope of Work: Constructed reinforced concrete walls and bins for materials.

East Valley Water District:

31111 Greenspot Rd., Highland, CA (909) 889-9501

Contact: Patrick Milroy

Project: Thermoplastic striping, July 2018

Project amount: \$5,000.00

Staff member – Mike Roquet, project manager

Staff member – Ed Duran, project foreman

Staff member – Terri Tate, office manager

Staff member – Dan Fitzgerald, project estimator

Project location: various streets in Highland, CA

Scope of work: Install thermoplastic striping at various locations in City streets

East Valley Water District:

31111 Greenspot Rd., Highland, CA (909) 889-9501

Contact: Dale Barlow

Project: 3<sup>rd</sup> Street Lot Grading, Scheduled for April, 2021

Project amount: \$35,000.00

Staff member – Mike Roquet, project manager

Staff member – Ed Duran, project foreman

Staff member – Terri Tate, office manager

Staff member – Dan Fitzgerald, project estimator

Project location: 3<sup>rd</sup> St. & Sterling Ave., San Bernardino

Scope of work: Grade lot, install class II base, pave an approach

Riverside-Highland Water Company

Contact: Craig Gudgion

12374 Michigan St., Grand Terrace, CA (909) 825-4128

Project: Santo Antonio/Washington St. Improvements

Project amount: \$163,000.00

Staff member – Mike Roquet, project manager

Staff member – Ed Duran, project foreman

Staff member – Terri Tate, office manager

Staff member – Dan Fitzgerald, project estimator

Project location: Santo Antonio Dr. & Washington St., Coltons

Scope of work: Grind/overlay streets, misc concrete items, striping

Riverside-Highland Water Company

Contact: Craig Gudgion

12374 Michigan St., Grand Terrace, CA (909) 825-4128

Project: Water tank site paving, June 2020

Project amount: \$60,000.00

Staff member – Mike Roquet, project manager

Staff member – Ed Duran, project foreman

Staff member – Terri Tate, office manager

Staff member – Dan Fitzgerald, project estimator

Project location: Pico Street & Blue Mountain Court, Grand Terrace

Scope of work: removed and replaced asphalt at tank site



Riverside-Highland Water Company

Contact: Craig Gudgion

12374 Michigan St., Grand Terrace, CA (909) 825-4128

Project: Street grind & overlay, Pico St. west of Michigan St., Grand Terrace

Project amount: \$35,000

Staff member – Mike Roquet, project manager

Staff member – Ed Duran, project foreman

Staff member – Terri Tate, office manager

Staff member – Dan Fitzgerald, project estimator

Project location: Pico Street, w/o Michigan St. Grand Terrace

Scope of work: 13,000 sf utility trench grind and overlay

Merlin Johnson Construction

Contact: Jake Johnson

1214 Sapphire Ave., Mentone, CA (714) 794-4772

Project: 86,000 sf Highland Ave. grind and overlay, June 2019

Project amount: \$116,000.00

Staff member – Mike Roquet, project manager

Staff member – Ed Duran, project foreman

Staff member – Terri Tate, office manager

Staff member – Dan Fitzgerald, project estimator

Project location: Highland Ave., San Bernardino, CA

Scope of work: 86,000 sf utility trench grind and overlay

Merlin Johnson Construction

Contact: Jake Johnson

1214 Sapphire Ave., Mentone, CA (714) 794-4772

Project: Utility trench overlay, April 2019

Project amount: \$167,000

Staff member – Mike Roquet, project manager

Staff member – Ed Duran, project foreman

Staff member – Terri Tate, office manager

Staff member – Dan Fitzgerald, project estimator

Project location: 10<sup>th</sup> St., 11<sup>th</sup> St., Maple Ave., Bloomington

Scope of work: 115,000 sf of utility trench grind and overlay

City of Grand Terrace

Contact: Craig Bradshaw

22795 Barton Rd, Grand Terrace, CA (909) 824-6623

Project: Street repair, five locations

Project amount: \$6,900.00

Staff member – Mike Roquet, project manager

Staff member – Ed Duran, project foreman

Staff member – Terri Tate, office manager

Staff member – Dan Fitzgerald, project estimator

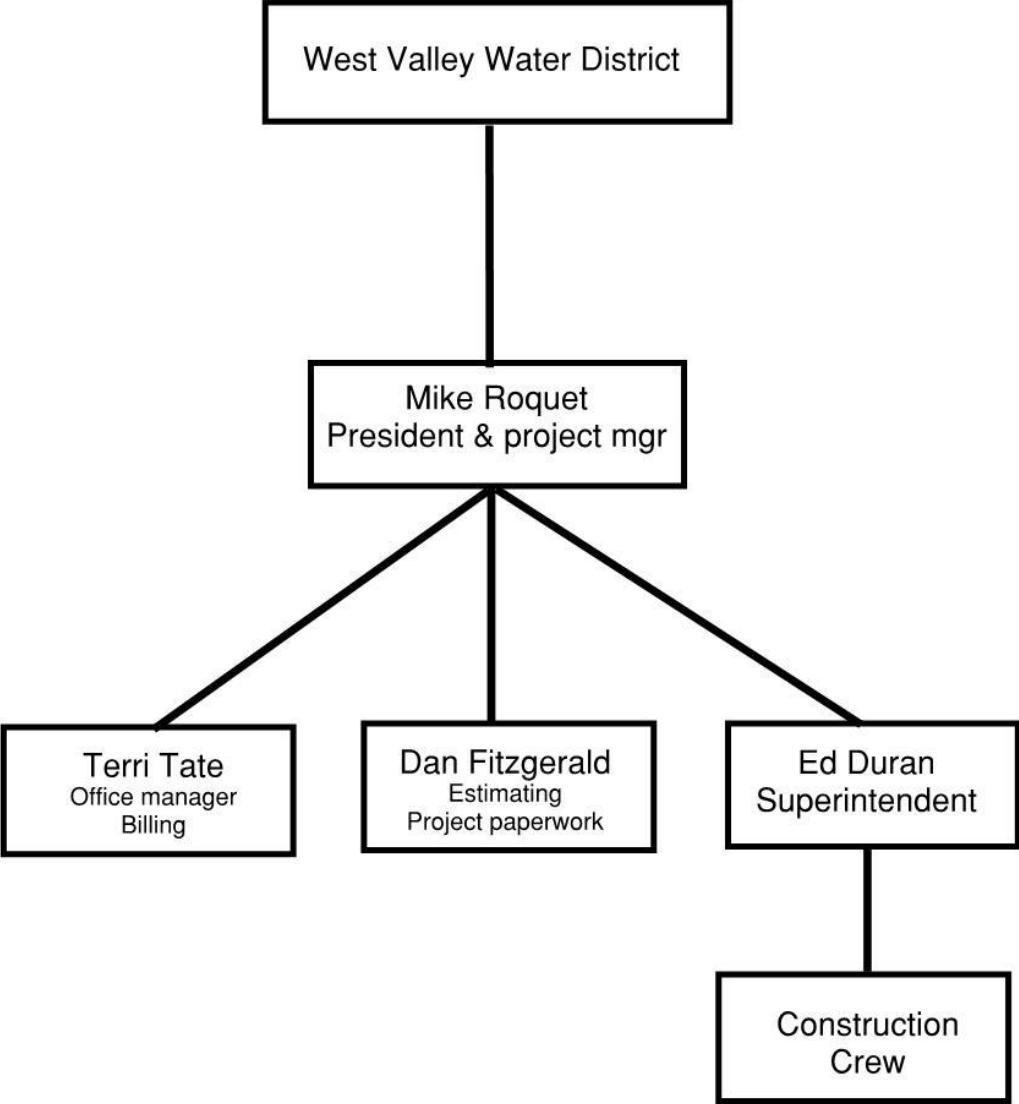
Project location: Various streets, City of Grand Terrace

Scope of work: Repair asphalt in five locations throughout city streets

### KEY PERSONNEL BRIEF RESUMES:

1. Mike Roquet  
2015—present: President of Mike Roquet Construction.  
1977 – 2015: Co-owner of Roquet Paving Inc.
  
2. Edward Duran  
2015 – present: Superintendent of Mike Roquet Const. Inc. construction crews.  
1980—2015: Foreman for Roquet Paving.  
1976 – 1980: Equipment operator/raker for Roquet Paving
  
3. Terri Tate  
2015 – present: Office manager, accounting, project management.  
1980 – 2015: Secretary/book-keeper at Roquet Paving Inc.
  
4. Dan Fitzgerald  
2015 – present – Estimator at Mike Roquet Construction.  
2012—2015: Estimator at Roquet Paving.  
1976 – 2012: Estimator for various grading and paving contractors.

ORGANIZATION CHART



## ATTACHMENT A

### Billing Schedule and Hourly Rates

**BARE EQUIPMENT LIST\*:**

LeeBoy Paving Machine	\$150.00 /hr
Cedar Rapids Paving Machine	159.00 /hr
3 – 5 ton Vibratory Roller	30.00 /hr
5 – 8 ton Asphalt Roller	60.00 /hr
Tack Truck (spray wand-type)	20.00 /rh
Tool Truck	20.00 /hr
Tool Truck	20.00 /hr
CAT Motor Grader	160.00 /hr
2000 Gallon Water Truck	75.00 /hr
CAT Skiploader	75.00 /hr
Skidsteer w/ grinder and broom	140.00 /hr
Small parking lot Sweeper	40.00 /hr
Hyundai Rubber Tire Loader	137.00 /hr
John Deer Loader	100.00 /hr
Asphalt Berm Machine	400.00 /day
Walk-behind saw (asphalt & concrete)	600.00 /day
Bobtail dump truck	37.50/hr
Ten-wheel dump truck	45.00 /hr
Ten-wheel dump truck	45.00 /hr
Flatbed trailer (equipment delivery)	50.00 /hr
Construction signs (various types)	400.00 /day
Arrow boards	150.00 /day

\*Operator additional

Name of Firm: Mike Roquet Construction Inc.

Name of Firm: Mike Roquet Construction Inc.

### Coast and Billing Schedules

#### Asphalt Remove & Replace (price per square foot)

	4 Inch	6 Inch	8 Inch	Grind 1/10 Ft & Replace
Minimum: Up to 50 SF	450.00	500.00	575.00	450.00
51-100	9.60	10.80	12.42	5.40
101-500	8.90	9.60	10.56	4.14
501-2,000	6.75	7.25	8.30	2.90
2,001-15,000	5.50	6.40	6.75	2.25
15,001-30,000	4.50	5.25	5.68	2.00

#### Concrete Remove & Replace (Price Per Square Foot)

	4-inch sidewalk	6-inch sidewalk	6-inch curb & gutter
0-50 SF	35.00	40.00	50.00
51-200 SF	25.00	30.00	40.00
201-2000	8.00	9.00	21.00
2,001-3,000	4.50	5.50	21.00

#### 6 Inch Curb & Gutter (New) Price per linear foot

	Unit Price
Minimum: up to 10 LF	2,200.00
11-100	35.00
101-500	22.00
501-2,000	18.00

#### 6 Inch Asphalt Berm (New) Price per linear foot

	Unit Price
Minimum: up to 10 LF	400.00
11-100	35.00
101-500	10.00
501-2,000	6.00

#### Striping & Pavement Markers

	Minimum Amount 20 Linear foot or less
Thermoplastic Paint with glass beads	1,932.00
Striping Paint-conventional two coats with glass beads	1,200.00
Pavement Markers	500.00

# EXHIBIT C

RFP: Permanent Trench Paving

**Proposer: Roquet****Evaluators: Rudy Olguin, Joanne Chan, & Al Robles**

Topics	Points Allowed	Points Awarded	Comments
<b>Qualifications and Experience</b>	<b>10%</b>		
Primary objectives addressed	0-4	4	
Forms Completed	0-3	3	
Experience/Resumes provided	0-3	3	
<b>Total</b>		<b>10</b>	
<b>Capability</b>	<b>25%</b>		
Length of Service more than 5 years	0-3	3	
Length of Service more than 10 years	0-4	4	
Current Government Contracts	0-3	1	None Listed
24 Hour Emergency	0-3	3	
Response Times	0-5	4	
Assigned Project Manager	0-3	3	
Subcontractor Work	0-3	2	Striping is subbed
<b>Total</b>		<b>20</b>	
<b>References</b>	<b>5%</b>		
References Provided	0-2	2	
Evaluation of References	0-3	3	
<b>Total</b>		<b>2</b>	
<b>Compliance/Completeness</b>	<b>10%</b>		
Perform Necessary Tasks	0-3	3	
Warranty	0-2	2	
Timeliness of Repairs	0-3	3	
Full Service Shop with All Equipment	0-2	1	
<b>Total</b>		<b>6</b>	
<b>Budget</b>	<b>50%</b>		
Appropriate Price for Scope of Services	0-25	22	
Total Price Cost Provided for completion	0-25	25	
<b>Total</b>		<b>47</b>	
<b>TOTAL PROPOSAL POINTS AWARDED:</b>		<b>85</b>	

RFP: Permanent Trench Paving

**Proposer: Hardy Harper****Evaluator:**

Topics	Points Allowed	Points Awarded	Comments
<b>Qualifications and Experience</b>	<b>10%</b>		
Primary objectives addressed	0-4	4	
Forms Completed	0-3	3	
Experience/Resumes provided	0-3	3	
<b>Total</b>		<b>10</b>	
<b>Capability</b>	<b>25%</b>		
Length of Service more than 5 years	0-3	3	
Length of Service more than 10 years	0-4	4	
Current Government Contracts	0-3	3	
24 Hour Emergency	0-3	1	Was not able to repair Riverside Water Main Break after Hours
Response Times	0-5	2	Experienced Delayed Jobs, Overlooked Concrete Patches Las Colinas
Assigned Project Manager	0-3	2	
Subcontractor Work	0-3	2	Striping is subbed
<b>Total</b>		<b>17</b>	
<b>References</b>	<b>5%</b>		
References Provided	0-2	2	
Evaluation of References	0-3	3	
<b>Total</b>		<b>2</b>	
<b>Compliance/Completeness</b>	<b>10%</b>		
Perform Necessary Tasks	0-3	3	
Warranty	0-2	2	
Timeliness of Repairs	0-3	2	
Full Service Shop with All Equipment	0-2	1	
<b>Total</b>		<b>5</b>	
<b>Budget</b>	<b>50%</b>		
Appropriate Price for Scope of Services	0 -25	19	
Total Price Cost Provided for completion	0-25	25	
<b>Total</b>		<b>44</b>	
<b>TOTAL PROPOSAL POINTS AWARDED:</b>		<b>78</b>	



RFP: Permanent Trench Paving

**Proposer: Onyx****Evaluator:**

Topics	Points Allowed	Points Awarded	Comments
<b>Qualifications and Experience</b>	<b>10%</b>		
Primary objectives addressed	0-4	4	
Forms Completed	0-3	3	
Experience/Resumes provided	0-3	2	
<b>Total</b>		<b>9</b>	
<b>Capability</b>	<b>25%</b>		
Length of Service more than 5 years	0-3	3	
Length of Service more than 10 years	0-4	4	
Current Government Contracts	0-3	3	
24 Hour Emergency	0-3	2	Based in Anaheim far from Service Area
Response Times	0-5	3	Based in Anaheim far from Service Area
Assigned Project Manager	0-3	3	
Subcontractor Work	0-3	3	
<b>Total</b>		<b>21</b>	
<b>References</b>	<b>5%</b>		
References Provided	0-2	2	
Evaluation of References	0-3	3	
<b>Total</b>		<b>2</b>	
<b>Compliance/Completeness</b>	<b>10%</b>		
Perform Necessary Tasks	0-3	3	
Warranty	0-2	2	
Timeliness of Repairs	0-3	2	Based in Anaheim far from Service Area
Full Service Shop with All Equipment	0-2	2	
<b>Total</b>		<b>5</b>	
<b>Budget</b>	<b>50%</b>		
Appropriate Price for Scope of Services	0-25	10	
Total Price Cost Provided for completion	0-25	25	
<b>Total</b>		<b>35</b>	
<b>TOTAL PROPOSAL POINTS AWARDED:</b>		<b>72</b>	

**Cost Evaluation**

	1st Scenario 30 SF 4" Asphalt	2nd Scenario 30 SF 6" Asphalt
<b>Roquet</b>	\$ 450.00	\$ 500.00
<b>Onyx</b>	\$ 1,800.00	\$ 2,100.00
<b>Hardy Harper</b>	\$ 585.00	\$ 765.00

	1st Scenario 35 SF 4" Concrete	2nd Scenario 35 SF 6" Concrete
<b>Roquet</b>	\$ 1,225.00	\$ 1,400.00
<b>Onyx</b>	\$ 2,450.00	\$ 2,520.00
<b>Hardy Harper</b>	\$ 1,260.00	\$ 1,400.00

	1st Scenario Thermoplastic at 20 LF	2nd Scenario Pavement Markers 20 LF
<b>Roquet</b>	\$ 1,932.00	\$ 500.00
<b>Onyx</b>	\$ 3,000.00	\$ 1,000.00
<b>Hardy Harper</b>	\$ 1,980.00	\$ 1,650.00

Name of Firm: Mike Roquet Construction Inc.

### Coast and Billing Schedules

#### Asphalt Remove & Replace (price per square foot)

	4 Inch	6 Inch	8 Inch	Grind 1/10 Ft & Replace
Minimum: Up to 50 SF	450.00	500.00	575.00	450.00
51-100	9.60	10.80	12.42	5.40
101-500	8.90	9.60	10.56	4.14
501-2,000	6.75	7.25	8.30	2.90
2,001-15,000	5.50	6.40	6.75	2.25
15,001-30,000	4.50	5.25	5.68	2.00

#### Concrete Remove & Replace (Price Per Square Foot)

	4-inch sidewalk	6-inch sidewalk	6-inch curb & gutter
0-50 SF	35.00	40.00	50.00
51-200 SF	25.00	30.00	40.00
201-2000	8.00	9.00	21.00
2,001-3,000	4.50	5.50	21.00

#### 6 Inch Curb & Gutter (New) Price per linear foot

	Unit Price
Minimum: up to 10 LF	2,200.00
11-100	35.00
101-500	22.00
501-2,000	18.00

#### 6 Inch Asphalt Berm (New) Price per linear foot

	Unit Price
Minimum: up to 10 LF	400.00
11-100	35.00
101-500	10.00
501-2,000	6.00

#### Striping & Pavement Markers

	Minimum Amount 20 Linear foot or less
Thermoplastic Paint with glass beads	1,932.00
Striping Paint-conventional two coats with glass beads	1,200.00
Pavement Markers	500.00

Hardy &amp; Harper, Inc.

## Coast and Billing Schedules

### Asphalt Remove & Replace (price per square foot)

	4 inch	6 inch	8 inch	Grind 1/10 Ft & Replace
Minimum: Up to 50 SF	19.50	25.50	29.50	30.00
51-100	16.05	20.10	25.25	22.00
101-500	12.90	16.60	22.15	7.95
501-2,000	10.00	12.85	14.90	6.10
2,001-15,000	5.60	6.65	8.15	3.95
15,001-30,000	3.45	4.80	5.75	2.50

### Concrete Remove & Replace (Price Per Square Foot)

	4-inch sidewalk	6-inch sidewalk	6-inch curb & gutter
0-50 SF	36.00	40.00	145.00 / LF
51-200 SF	18.50	21.00	65.00 / LF
201-2000	15.00	18.35	55.00 / LF
2,001-3,000	12.00	15.55	45.00 / LF

### 6 Inch Curb & Gutter (New) Price per linear foot

	Unit Price
Minimum: up to 10 LF	275.00
11-100	125.00
101-500	85.00
501-2,000	65.00

### 6 Inch Asphalt Berm (New) Price per linear foot

	Unit Price
Minimum: up to 10 LF	250.00
11-100	150.00
101-500	14.00
501-2,000	8.00

### Striping & Pavement Markers

	Minimum Amount 20 Linear foot or less
Thermoplastic Paint with glass beads	1,980.00
Striping Paint-conventional two coats with glass beads	1,650.00
Pavement Markers	1,650.00

\*This pricing reflects move-in minimums\*

\*  
\*  
\*

ONYX

## Coast and Billing Schedules

### Asphalt Remove & Replace (price per square foot)

	4 Inch	6 Inch	8 Inch	Grind 1/10 Ft & Replace
Minimum: Up to 50 SF	\$ 60	\$ 70	\$ 80	\$ 60
51-100	\$ 55	\$ 65	\$ 70	\$ 45
101-500	\$ 25	\$ 35	\$ 40	\$ 15
501-2,000	\$ 13	\$ 18	\$ 20	\$ 12
2,001-15,000	\$ 6	\$ 8	\$ 10	\$ 6
15,001-30,000	\$ 5	\$ 6.50	\$ 8.50	\$ 3.50

### Concrete Remove & Replace (Price Per Square Foot)

	4-inch sidewalk	6-inch sidewalk	6-inch curb & gutter
0-50 SF	\$ 70	\$ 72	\$ 100
51-200 SF	\$ 30	\$ 32	\$ 100
201-2000	\$ 25	\$ 27	\$ 77
2,001-3,000	\$ 15	\$ 17	\$ 25

### 6 Inch Curb & Gutter (New) Price per linear foot

	Unit Price
Minimum: up to 10 LF	\$ 400
11-100	\$ 350
101-500	\$ 200
501-2,000	\$ 100

### 6 Inch Asphalt Berm (New) Price per linear foot

	Unit Price
Minimum: up to 10 LF	\$ 350
11-100	\$ 75
101-500	\$ 55
501-2,000	\$ 13

### Striping & Pavement Markers

	Minimum Amount 20 Linear foot or less
Thermoplastic Paint with glass beads	\$ 150
Striping Paint-conventional two coats with glass beads	\$ 50
Pavement Markers	\$ 15



**BOARD OF DIRECTORS  
STAFF REPORT**

**DATE:** May 6, 2021  
**TO:** Board of Directors  
**FROM:** Shamindra Manbahal, Interim General Manager  
**SUBJECT:** AGREEMENT WITH GENERAL PUMP COMPANY, INC. FOR AS-NEEDED SERVICES FOR WELL & BOOSTER MAINTENANCE AND REPAIRS

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**BACKGROUND:**

West Valley Water District (“District”) has identified a need to secure a maintenance contract with a qualified, experienced contractor to provide maintenance and repair services for the District’s wells, pumps and electric motor assemblies, on an on-call, as-needed, time-and-material basis for a period of one (1) year with two (2) additional one-year options. The firm shall be licensed (C-57) Well Drilling Contractor in the state of California.

Through this maintenance services contract, the District requires to have the firm mobilize in less than 72 hours and perform work as requested by the District. Some services may include, but are not limited to, repair, removal, installation, rehabilitation, replacement of pumps, motors, well columns, etc. and the furnishing of parts and labor in conjunction with such work.

**DISCUSSION:**

On March 8, 2021, a Request for Proposal (“RFP”) was issued and publicly advertised on PlanetBids. Four (4) firms – General Pump Company, Inc. (“GPC”), Layne Christensen Company (“LCC”), Weber Water Resources CA LLC (“WWR”) and Well Tec Services (“WTS”) – submitted proposals for as-need maintenance and repair services. Attached as **Exhibit A** is the RFP for The As-Needed Services for Well & Booster Maintenance and Repairs posted on PlanetBids System.

In order to determine the best value for the District, District staff first ensured that all proposals received met the requirements in the scope of work by conducting a systematic proposal evaluation. Based on technical qualifications, overall evaluation, and results, District staff recommends that GPC provides the best value for the District needs for the As-Needed Well & Booster Maintenance and Repair Services. The evaluation criteria and results are as follows:

<b>Evaluation Criteria</b>	<b>GPC</b>	<b>LCC</b>	<b>WWR</b>	<b>WTS</b>
Qualifications and Experience 10%	10	10	10	9
Capability 25%	25	25	25	21
References 5%	5	5	4	5
Compliance/Completeness 10%	10	10	10	10

Budget 50%	50	40	40	40
<b>Total Proposal Points Awarded</b>	<b>100</b>	<b>90</b>	<b>89</b>	<b>85</b>

**FISCAL IMPACT:**

The cost to perform the wells and pumping equipment rehabilitation was included in the Fiscal Year 2020/21 Operating Budget and Capital Budget. All performance pursuant to this contract shall be on an “on-call” or “as-needed” basis. Any tasking shall be initiated solely by the District. Moreover, execution of a contract by the District shall not entitle the contractor to any form of payment or compensation from the District without first having issued tasking or request for services from the contractor and the subsequent issuance of a Task Order.

**STAFF RECOMMENDATION:**

Staff recommends that this item be submitted for consideration, and that the Board of Directors approve this item and authorize the Acting General Manager to execute the necessary documents.

Respectfully Submitted,

*Shamindra Manbahal*

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Shamindra Manbahal, Interim General Manager

SM:jc

**ATTACHMENT(S):**

1. Exhibit A - RFP for As-Needed Services for Well & Booster Maintenance and Repairs
2. Exhibit B - GPC Proposal
3. Exhibit C - The Technical Proposal Score Sheet

**MEETING HISTORY:**

04/14/21      Engineering, Operations and Planning Committee      REFERRED TO BOARD

# EXHIBIT A





**REQUEST FOR PROPOSALS (RFP)  
AS-NEEDED SERVICES FOR WELL & BOOSTER MAINTENANCE AND REPAIRS**

**INVITATION**

The West Valley Water District (“District”) is seeking the services of a qualified, experienced contractor to provide as needed/on call Well & Booster Maintenance and Repair services for District’s wells, pumps and electric motors. The selection process will be based mainly on the contractors’ experience, qualifications, innovation, price, prior experience with providing this type of service, ability to supply specific materials as specified and readiness to serve.

No proposals shall be submitted after **5:00 p.m. on Monday, March 22, 2021 electronically on Planet Bids**. Late qualification documents will not be accepted.

During the RFP process, consultants shall direct all questions on Planet Bids. Responses to questions received four (4) days prior to the RFP deadline will not be available. If there is any revision to the RFP, an addendum will be issued on Planet Bids (PB) and made available to all firms receiving RFP documents.

**BACKGROUND**

West Valley Water District (“District”) is a County Water District, a public agency of the State of California, organized and existing under the County Water District Law (Division 12, Section 30,000 of the Water Code) of the State of California. The District serves water to over 20,000 connections within the Cities of Rialto, Fontana, Colton, Jurupa Valley (Riverside County) and to unincorporated areas of San Bernardino County. The District’s service area includes a large amount of undeveloped land which is described in various specific plans.

The District’s distribution system includes eight pressure zones which are divided into a northern and southern system with the City of Rialto serving the area in between. The system includes 72.61 million gallons of storage capacity, 12 booster pump stations, 17 active production wells, several treatment facilities and over 150 miles of transmission lines.

Water supplies include groundwater from District wells in 4 groundwater basins, from imported State Water Project water and Lytle Creek surface flows treated at the Oliver P. Roemer Water Filtration Facility, from water purchased through the Base Line Feeder pipeline and from groundwater treated at our new Groundwater Wellhead Treatment System.

**PROJECT DESCRIPTION**

This project is to provide Annual Maintenance and Repair Services for the District’s wells, pumps and electric motor assemblies, on an on-call, as-needed, time-and-material basis for a period of one year. **The contractor must be a licensed (C-57) Well Drilling Contractor in the state of California.** The District expects that the total contract value not to exceed \$200,000 per fiscal year. These contract(s) may be renewed for two (2) additional one-year options should the parties mutually agree. Any and all performance pursuant to these contracts shall be on an “on-call” or “as-needed” basis. Any tasking shall be initiated solely by the District. Further, execution of a contract by the District does not in any way guarantee that any tasking or request for on-call services will be issued to any party. Moreover, execution of a contract by the District shall not entitle the other party to any form of payment or compensation from the District without first having issued tasking or request for services from the contractor.

**SCHEDULE OF EVENTS**

3/8/2021	Issuance of Request for Proposals
3/17/2021	Deadline for Written Questions
3/22/2021	Proposals Due by 5:00 PM
4/15/2020	District Approval of Contract (est. date)
4/19/2020	Issuance of Notice-to-Proceed (est. date)

## **SCOPE OF WORK**

Although the District is attempting to identify the limits and services required, this should not unnecessarily limit the firm in the development of a scope it believes is necessary to meet the District's goals and objectives.

Through this Maintenance Services Contract, the District wishes to have the Well Contractor (with C-57 License) mobilize in less than 72 hours and perform work as requested by the District. The Contractor shall furnish all material, labor, equipment, and supervision to perform the maintenance and repair. The Contractor shall perform such work in a thorough and professional manner.

The contractor shall secure the well site and its equipment at all times throughout the duration of work. Some services may include, but are not limited to, repair, removal, installation, rehabilitation, replacement of well pumps, motors, well columns, base plates, lube assembly, etc., and the furnishing of parts and labor in conjunction with such work. All work and general conditions shall be performed in accordance with the current Standard Specifications for Public Works Construction and the District's Standard Drawings. The Contractor is also responsible for discharging the treated water after rehabilitation of the well into an appropriate drainage system in a manner that complies with NPDES regulations and permits.

## **PROPOSAL REQUIREMENTS**

Although the District requires no specific format, this section is intended to provide guidelines to the firm regarding features that the District will look for and expect to be included in the proposal.

### **1. Content & Format**

The District requests that proposals submitted be organized and presented in a neat and logical format and are relevant to these services. The Firms proposals shall be clear, accurate and comprehensive. Excessive or irrelevant material will not be favorably received.

Proposals should include the following:

- Transmittal/offer letter signed by an individual authorized to act on behalf of the Firm.
- Page numbering.
- Index/Table of Contents.
- Statement of Qualifications, Experience, and a minimum of 3 Public Agency References.
- Brief resumes of key staff.
- Team Organization.
- Completion of the cost and billing schedules of current hourly billing rates for each of the specialized skills, materials, and support services, (please see Attachment "A").

## 2. Team Organization

The purpose of this section is to describe the organization of the project team including subcontractor and key staff. A project manager shall be named who shall be the prime contact and be responsible for coordinating all activities with the District. An organization diagram shall be submitted showing all key team members and illustrating the relationship between the District, the project manager, key staff, and subcontractor. There also should be a brief description of the role and responsibilities of all key staff and subcontractor identified in the team organization.

## 3. Statement of Qualifications

The information provided in this section should describe the qualifications of the firm and key staff in performing projects within the past five years that are similar in scope and size to demonstrate competence to perform these services. The projects listed should be those that the key staff named for this project were responsible for performing. Information shall include:

- Names of key staff that participated on named projects and their specific responsibilities.
- The client's name, contact person, addresses, and telephone numbers.
- A brief description of type and extent of services provided.
- Completion dates (estimated, if not yet completed).
- Total costs of the projects.
- The Firm shall maintain an office staffed with qualified technical and field personnel.
- The Firm shall provide a list of rigs, equipment, etc., owned by the Firm and available to do this work.

There should be included in the section brief resumes of key personnel who will provide these services demonstrating their qualifications and experience. Resumes should highlight education, relevant experience, licenses, and specific responsibilities for services described.

## 4. Fee Proposal

All Firms shall provide complete cost and billing schedules of current hourly billing rates for each of the specialized skills, materials, and support services in Attachment "B".

A work program together with a breakdown of labor hours by employee billing classification together with the cost of non-labor and sub-contractor services shall be included with the fee proposal. The labor breakdown shall be compiled based upon a listing of work tasks that correlates with the Firms defined scope of work for the project proposal. This information will be used by the District staff to evaluate the reasonableness of the fee proposal and may be used in negotiating the final fee

amounts for the contract agreement.

The Firms will be ranked and the District shall select the one or two top ranked Firms, at the sole discretion of the District, and enter into contracts for the on-call, as-needed services described above.

The District will negotiate the final fee with the top ranked Firm(s).

Reimbursable expenses shall not be allowed unless negotiated prior to a contract.

Price escalations during the contract term are disfavored and will not be allowed unless negotiated prior to execution of contract.

The Firm shall prepare progress billings, reflective of the project schedule and the scope of work completed, by line item and description.

## **GENERAL REQUIREMENTS**

### **1. Proposals**

Proposals must be submitted on blank forms prepared and furnished with this Request for Proposals, for that purpose. Contractors may obtain copies of the specifications through the District's Planet Bids (PB) electronic bidding system. Only proposals submitted in electronic format through the District's PB site will be accepted.

### **2. Prevailing Wages**

Contractors on this Work will be required to comply with the President's Executive Order No. 11246 (Equal Employment Opportunity Clause) as amended, California Government Code Section 12900 et. seq., California Labor Code Section 177.6 and implementing regulations concerning equal opportunity for Apprentices.

The Director of the Department of Industrial Relations has ascertained the general prevailing rate of per diem wages and the general rate for holiday and over-time work in the locality in which the work is to be performed for each craft or type of workmen needed to execute the Contract of Work as hereinafter set forth (see Labor Code 1770 et. seq., effective January 1, 1977). Copies of the rates are available online at <http://www.dir.ca.gov/oprl>. The successful Contractor shall provide a copy of such determinations to each crew working on this maintenance contract. Attention is called to the fact that not less than the minimum salaries and wages shall be paid on these Projects by all Contractors and Subcontractors.

Pursuant to Section 1740 of the California Labor Code, contractors are notified that the said wage rates shall be subject to modification to comply with revisions in Federal Minimum Wage schedules without necessity of republication.

### 3. Department of Industrial Relations Compliance

West Valley Water District requires all contractors/vendors to be registered with the State of California Department of Industrial Relations (DIR). This provision applies to all public works contracts in excess of \$15,000 or more. *Public Works* is defined as “construction, alteration, demolition and installation, or repair work (including maintenance) performed under a contract utilizing public funds.” **All bidders or contractors must provide proof of registration with the DIR in their proposals or the bid will be rejected.**

### 4. Workers Compensation Clause

The Contractor and its Subcontractor(s) shall comply with the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for worker’s compensation or to undertake self-insurance in accordance with the provisions of that code.

### 5. Payment

Payments will be made to the Contractor in accordance with the provisions of the specifications and on itemized estimates duly certified by the Contractor and approved by the District. Payment shall not be made more often than once each thirty (30) days.

### 6. Award and Execution

The award of contract, if made, will be made within thirty (30) calendar days from the date of the bid opening.

The Contractor shall execute the Agreement within fifteen (15) days from the date of the Notice of Award.

The Contractor shall receive the Notice to Proceed within ten (10) days from the date of the execution of the Agreement by the District and shall commence the maintenance work 10 days from the date of the Notice to Proceed. If at any time the Contractor fails to perform the scheduled work, the District shall be notified in writing of the reason why the work was not performed and an alternate date scheduled with the District’s Maintenance Supervisor. If the Contractor fails to perform the scheduled maintenance for more than thirty days, they will be notified in writing of the District’s intent to terminate the contract.

**The District hereby reserves the right to reject any and all proposals or to waive any irregularity.** No bidder may withdraw his bid and the bid is to remain firm for a period of ninety (90) days after bid opening.

### 7. Contractual Documents

Contractual Documents, including specifications, may be downloaded through the

District's Planet Bids (PB) System.

### **EVALUATION PROCESS AND SELECTION CRITERIA**

The District's evaluation and selection process is based upon Qualifications Based Selection (QBS) for professional services. The following criteria will be used in evaluating the proposals using a point value system (100 points) based upon the weighting indicated below:

1. Qualifications and experience of the project manager and other key individuals. (10 points)
2. Capability to perform necessary tasks, resolve problems, warranty, safety records, timeliness of repairs, and maintain a full service shop with all necessary equipment required for well rehabilitation and treatment projects. (25 points)
3. Results of reference checks. (5 points)
4. Quality of proposal including compliance with proposal requirements and ability of firm to supply correct parts. (10 points)
5. Rationality of firm's fee schedule. (50 points)

District staff will rank the responsive Firms and District staff will negotiate a contract with one or two top ranked Firms, at the sole discretion of the District. Should District staff be unable to negotiate a satisfactory contract with one or more of those Firms, the District staff will terminate negotiations and may continue the negotiation process with the next most qualified Firm in the order of their evaluation ranking until an agreement is reached with the number of Firms desired by the District.

Please refrain from making any verbal inquires and requests for a formal debriefing related to the subject RFP until the West Valley Water District completes the ongoing contract process.

### **ATTACHMENTS**

Attachment A – Billing Schedule and Hourly Rates

Attachment B – Sample Agreement

Attachment C – Insurance and Indemnification Requirements

**ATTACHMENT A**

**Billing Schedule and Hourly Rates**



Name of Firm: \_\_\_\_\_

### Billing Schedules and Hourly Rates

#### APPLICABLE HOURLY RATES – WEEKDAYS

<b>1.</b>	<b>General Pump Pulling and Installation</b>	
	Mobilization & Demobilization	\$ LS*
	Two (2) men, rig, and service truck	\$ /hr
	Each additional employee	\$ /hr
<b>2.</b>	<b>Well Rehabilitation</b>	
	Mobilization & Demobilization	\$ LS*
<b>3.</b>	<b>Well Repair – Well Tear Down &amp; Inspection</b>	
	Two (2) men comb. Rig service truck	\$ /hr
	Rebuild Bowl ( Estimated hours:_____ )	\$ /hr
<b>4.</b>	<b>Well Cleanout Work</b>	
	Cable tool method (wire brush)	\$ /hr
	Two (2) men comb. Rig service truck	
	Airlift method	
	Two (2) men, rig and service truck	\$ /hr
	Air compressor charge	\$ /hr
<b>5.</b>	<b>Crane: 40-ton with two (2) men</b>	\$ /hr
<b>6.</b>	<b>Rotary Crane</b>	
	One (1) man and hydraulic crane – 5-ton	\$ /hr
	One (1) man and hydraulic crane – 8-ton	\$ /hr
	One (1) man and rotary crane – 10-ton	\$ /hr
<b>7.</b>	<b>Field &amp; Technical Services</b>	
	One (1) man and delivery truck	\$ /hr
	One (1) man and service truck	\$ /hr
	Two (2) men and service truck	\$ /hr
	Two (2) men and welding truck	\$ /hr
	Electrician	\$ /hr
	Engineering	\$ /hr
	Hydrologist	\$ /hr
<b>8.</b>	<b>Shop Labor</b>	
	General shop labor	\$ /hr
	Premium shop labor	\$ /hr
	Machine shop labor	\$ /hr

	Metal spray labor	\$	/hr
	Welding shop labor	\$	/hr
9.	<b>Closed Circuit Well Television with DVD copies</b>	\$	LS*
10.	<b>Wire brush, Bail Well, or Swab rental</b>	\$	/hr
11.	<b>NPDES Compliance (Baker Tanks, Neutralizing Equip., Lab Fees, Fabrication)</b>	\$	LS*

\*LS = Lump Sum

# EXHIBIT B



159 N. ACACIA STREET \* SAN DIMAS, CA 91773  
PHONE: (909) 599-9606 \* FAX: (909) 599-6238

CAMARILLO, CA 93010 \* PHONE: (805) 482-1215  
[www.genpump.com](http://www.genpump.com)

WELL & PUMP SERVICE SINCE 1952

Lic. #496765

*Serving Southern California and Central Coast*

## Request for Proposal

# As-Needed Services for Well & Booster Maintenance and Repairs 2021

March 22, 2021 @ 5:00 PM

Prepared by

**Tom Nanchy**  
**Sr. Project Manager / Project Engineer**  
**General Pump Company, Inc.**

For The

**West Valley Water District**

**855 West Baseline Road**  
**Rialto, CA 92376**



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*Serving Southern California and Central Coast*

West Valley Water District  
 855 W. Baseline Road  
 Rialto, California 92377

March 22, 2021

***Subject: Cover Letter: As-Needed Services for Well and Booster Maintenance and Repair***

General Pump Company, Inc.(GPC) is pleased to provide our proposal for the referenced program. This cover letter is intended to provide a summation of our qualifications and clarifications associated with our proposal and capabilities for this project.

GPC has been in business for 69 years and is specifically located in San Dimas and Camarillo, California. It is now and has always been our business practice to fully comply with all applicable State and Federal Reporting requirements regarding our employee's safety, employment reporting, and customer focus. Note that GPC does not drill wells. We have a number of employees that have significant well drilling experience; however, we decided many years ago to be the premium well and pump maintenance service business and focus 100% of our experience on being the industry leader for well and pump maintenance.

In addition to the minimum requirements of the RFP, GPC maintains the highest Safety Rating for our Industry is the ONLY well and pump service company to be selected by the Oil Refineries based on our Safety Program and Ratings.

GPC has more in-house "Maintenance Contracts" associated with well and pump services than all our competition combined. Many of the Maintenance programs continue to be extended year after year because of our focused performance on efficiency of well and pumps and our in-house knowledge and experience that allows us to design specific rehabilitation or maintenance services based on a variety of conditions that may face specific issues within wells and pumps or controls. We can provide references to these facts if requested.

We have included forms and documents in this proposal that reflect our commitment to be the industry leader related to well and pumps maintenance and service.

Both of our facilities in California have in-house engineering and machining services and GPC manufactures our own pumps and equipment. We are the ONLY pump service company that disassembles all customer pumps and/or all new pumps and inspects 100% of them before they are re-assembled and installed in a system or well. Our Quality Control provides us the ability to correct issues before they are realized in the system.



*Additional Information:*

1. General Pump Company Inc has been in the water well and pump service business since 1952. Our business focuses on the pump and well maintenance portion of the industry and we do not drill wells.
2. Several of our Project Manager also have Engineering Degrees or Professional Geologist Licenses. The Project Manager assigned to this project would be Tom Nanchy who has the required certifications for Pump Installer and OSHA Training
3. We have included a copy of our C-57 Licenses.
4. The Project Manager team assigned to this project maintains an OSHA and HAZWOPPER certificate of training and copies are provided.
5. Tom Nanchy maintains his NGWA Certification as a Certified Pump Installer and copies are provided.
6. GPC is following the State of California Cal/OSHA regulations and maintain our Illness Prevention Program

If you have any questions or need additional information, please do not hesitate to contact us.

Thank you and we look forward to continuing working with the West Valley Water District in the very near future.

Sincerely,



Tom Nanchy  
Sr. Project Manager

**GENERAL PUMP COMPANY, INC.**

Name of Firm: General Pump Company, Inc.

**Billing Schedules and Hourly Rates**

APPLICABLE HOURLY RATES – WEEKDAYS

<b>1.</b>	<b>General Pump Pulling and Installation</b>		
	Mobilization & Demobilization	\$ 200	LS*
	Two (2) men, rig, and service truck	\$ 260	/hr
	Each additional employee	\$ 75	/hr
<b>2.</b>	<b>Well Rehabilitation</b>		
	Mobilization & Demobilization	\$ 200	LS*
<b>3.</b>	<b>Well Repair – Well Tear Down &amp; Inspection</b>		
	Two (2) men comb. Rig service truck	\$ 260	/hr
	Rebuild Bowl ( Estimated hours: <u>30</u> )	\$ 90	/hr
<b>4.</b>	<b>Well Cleanout Work</b>		
	Cable tool method (wire brush)	\$ 260	/hr
	Two (2) men comb. Rig service truck		
	Airlift method		
	Two (2) men, rig and service truck	\$ 260	/hr
	Air compressor charge	\$ 21	/hr
<b>5.</b>	<b>Crane: 40-ton with two (2) men</b>	\$ 290	/hr
<b>6.</b>	<b>Rotary Crane</b>		
	One (1) man and hydraulic crane – 5-ton	\$ 90	/hr
	One (1) man and hydraulic crane – 8-ton	\$ 95	/hr
	One (1) man and rotary crane – 10-ton	\$ 170	/hr
<b>7.</b>	<b>Field &amp; Technical Services</b>		
	One (1) man and delivery truck	\$ 50	/hr
	One (1) man and service truck	\$ 140	/hr
	Two (2) men and service truck	\$ 215	/hr
	Two (2) men and welding truck	\$ 215	/hr
	Electrician	\$ 140	/hr
	Engineering	\$ 10	/hr
	Hydrologist	\$ 10	/hr
<b>8.</b>	<b>Shop Labor</b>		
	General shop labor	\$ 85	/hr
	Premium shop labor	\$ 90	/hr
	Machine shop labor	\$ 90	/hr



	Metal spray labor	\$ 60	/hr
	Welding shop labor	\$ 90	/hr
9.	<b>Closed Circuit Well Television with DVD copies</b>	\$ 1,000	LS*
10.	<b>Wire brush, Bail Well, or Swab rental</b>	\$ 260	/hr
11.	<b>NPDES Compliance (Baker Tanks, Neutralizing Equip., Lab Fees, Fabrication)</b>	\$ 2,500	LS*

\*LS = Lump Sum



## QUALIFICATIONS, EXPERIENCE, AND UNDERSTANDING OF THE PROJECT

### CAPABILITIES

General Pump Company, Inc. is a Professional Well Redevelopment and Pump Equipment contractor located in San Dimas and Camarillo, California. The Engineering staff, field support and service crews, and office support staff are 100% dedicated to well evaluation and rehabilitation, and pump equipment evaluation and services.

The technical staff at General Pump Company, Inc. has worked in almost every aspect of the well and pump industries. This diverse experience provided us with unique qualifications to serve our customers and provide them with solution-oriented approaches to get their system back into operation. Our engineers and Hydrogeologist have all worked in the drilling and design segment of the water, and/or oil and gas industries, and many of our shop and support technicians have worked for major pump manufactures.

General Pump Company, Inc. employs only experienced Engineers, Hydrogeologist and Technical Field Personnel that can offer Customers assistance in the following areas:

- Assess Well Yields to Minimize Operating and Maintenance Costs
- Determine the Efficiency of Production and ASR Wells and Pumps
- Engineered Pump and Well Equipment
- Pump Facility Design and Construction / Booster Facility Design and Construction
- Pipeline Design and Construction
- Appropriate Mechanical and Chemical Redevelopment
- Periodic Monitor and Maintenance Programs
- Water Quality and Production Solutions / Well System Optimization
- Engineered Pump Suctions
- Pump and Motor Repair / Custom Pump Design and Machining
- Electrical, SCADA and Transducer Support
- Casing Repair and Swedging
- Video and Geophysical Logging Support

General Pump Company, Inc., an Engineering Service Company, is dedicated to supporting the ongoing needs of the Water Industry, and committed to providing:

- Solution-oriented engineering using problem-solving techniques by degreed Engineers with diverse well system and groundwater experience, and pump application engineers from major pump manufacturing companies.
- Full-time machine shop, staffed with experienced personnel capable of building and repairing standard and custom pump equipment and specialty products.
- Self-contained chemical trailers to include safety support and operational controls.
- Trained and certified operators for periodic monitoring and maintenance programs.
- In-house training facility and training programs for customers and our own personnel.
- Strong project and construction management for any size project.
- Instant communications with cellular radio/phones for all staff, engineering, technical, field and shop personnel, resulting in better services at a reduced risk and overall cost.
- Modern, safe and reliable equipment with the **Only Telescoping Well Rigs with Spudders** in the industry which are required for effective redevelopment of wells in pump houses.



SAFETY

Safety is paramount when men and equipment are involved. A good safety record is important along with adequate insurance and bonding. General Pump Company, Inc. has the best safety record in Southern California for the water well and pump rehabilitation business. Over the past years, General Pump Company, Inc. has had minimal loss of time for work related injuries

ANNUAL CONTRACTS

Award of an Annual Contract is a great honor and to have an Annual Contract renewed year after year is the greatest complement to a service company. It proves that the contractor has met or exceeded the customers' set goals and expectations. General Pump Company, Inc. has been selected by over 45 cities in Southern California to maintain their well and pumping systems. We have more Annual Contracts with cities than all our competitors combined. Additionally, General Pump Company, Inc. is the primary contractor or sole-source contractor for 15 private utilities and water districts. Most of these are multi-year contracts having been renewed several times over.

MACHINE SHOP CAPABILITIES

General Pump Company, Inc. is the only well and pump Service Company in Southern California that builds 100% of our bowl assemblies. This level of expertise, along with our in-house machining, allows us to supply or repair with a greater level of knowledge that your pump equipment will be reliable and efficient.

Our repair and fabrication facility maintains the most complete line of lathes, welding and associated machining tools.

General Pump Company, Inc. has an expansive repair and fabrication facility. This facility has proven to be invaluable during our 69 years of business, since many pump and motor repairs require a strong interface between machining, welding and electrical support in order to be completed. We have three major groups within our repair and fabrication facility that allow us to serve your needs in a variety of ways:

- **Fabrication and Machining:** Including lathes, milling machines, grinders, balancing machines, flame welding, gas and electric welding, heli-arc, etc. We perform welding on steel, aluminum, brass, cast iron, resurfacing, and custom work.

We repair all types of pumps by all manufacturers in our facility up to approximately 24-inch impeller diameter for single and multi-stage Horizontal Pumps and 30-inch diameter for Vertical Turbine Pumps.

- **Assembly:** In general, the pumps we supply are designed and manufactured by General Pump Company at one of our Engineering Service Centers. Assembly of pumps assures the highest quality product, with the assurance that it is built correctly and will meet the design criteria specified.
- **Field Services:** This service has helped us establish ourselves as well and pump problem solvers since many operational problems can be traced to poor installation practices. Having the proper diagnostic equipment and knowing how to use it distinguishes us as "The Leader in Well and Pump Services".



**MACHINE SHOP CAPABILITIES** *(Continued)*

**Precision Alignment** - We've invested in the latest Precision Alignment technology and have established a growing list of customers who use us for these services.

**Removal, Installation, Mechanical and Startup** - We perform field-testing, removal, installation and machining services to offer a turnkey pump service.

General Pump Company, Inc. can provide you with high quality workmanship to meet your water supply needs. Our highly skilled employees can also perform repairs on many types of well and booster pumps.

**Pump Repair**

Booster  
End Suction  
Horizontal Split Case  
Vertical Turbine  
Right-Angle Drive

**Machine Shop**

**Shaft Manufactured:**

Pumps & Motors, Precision  
Straightening, Electrical Motors

**Sleeves Made:**

Bronze, Mild Steel, Stainless  
Steel

**Threads and Tapping**

**Impeller Rebuilding**

Balancing, Trimmed  
Eyes & Flanges

**Mechanical Seals**

Re-Machine Seat, High  
Pressure, High  
High Temperature

**Electric Motors**

New & Overhauled, Rewound,  
Balanced, Custom Bases,  
Shaft Repaired Upgrades

**EQUIPMENT AND FIELD SERVICE**

General Pump Company, Inc. maintains a full service machine shop, clean and safe rigs and cranes are a minimum requirement for reliability, quality workmanship and safety.

General Pump Company, Inc. has several trucks fully loaded with essential equipment to handle many urgent repairs in the field. Our well and pump service crews are always ready and willing to assist your Water Utility with making a repair to keep your well and booster facilities running. Just let us know and we will be on the way, ready to provide you with the highest quality service available.

General Pump Company, Inc. has the newest fleet of rigs and equipment in Southern California. Maintenance and repairs are made at our San Dimas and Camarillo Facilities to make sure our field operations can safely and efficiently respond to our customer's needs. Below are the benefits to our customers.

- Reliable work - In water emergencies, it is important that this large equipment is ready to respond without breakdowns.
- Safety - Our new equipment is not likely to malfunction resulting in major damage or possible injuries.
- The most up-to-date equipment to assemble the Customers' pumps.

General Pump Company, Inc. has the only telescoping pump rigs in Southern California.



General Pump Company, Inc. has chemical treatment equipment with fully operational safety equipment that includes eyewash and shower, along with other special redevelopment tools, which allow General Pump Company, Inc. to perform the most cost-effective cleaning to your wells.

-oOo-



## KEY PERSONNEL

### KEY PERSONNEL

#### **MICHAEL G. BODART, PRESIDENT / DIRECTOR OF ENGINEERING**

---

**Academic Background** University of Missouri - Bachelor of Science in Civil Engineering  
Post Graduate C.E. Courses in Geohydrology, University of Southern California

**Certifications** 1999-Byron Jackson Training Certificate  
1998-Grade 1 & 2 Distribution and Treatment Certificates  
1998-Engineering "A" License  
1995-Dale Carnegie Course  
1995-Mackay Pump Rehabilitation Certificate  
1992-Golden State Pump Technical Training Certificate  
1990-Completed Graduate C.E. Courses in Geohydrology at U.S.C.  
1986-Layne & Bowler Pump School Certification  
1986-Baroid 1-week Drilling Fluid Technology Course Certification  
1985-National Water Works Correspondence Course Certification

**Professional Present Experience** General Pump Company, Inc. - President / Director of Engineering - 1993-  
Layne Western - Regional Engineering and Sales Manager (4 offices)  
Federal Highway Administration - Civil Engineer

**Professional Presentations** Michael G. Bodart (Mike Bodart) is recognized as an expert in the field of pump engineering and well rehabilitation in southern California. He has been invited to speak for numerous professional water related associations and conventions. Has been speaking professionally for more than 34 years and has presented in nationally known associations such as AWWA, Tri-State, Southern California Water Utility Association, Inland Water Works Association, Groundwater Resources Association and Central Coast Water Association. In 1992, Mike was part of a selected six-person panel of engineers who met in Kansas City to assist in training nationwide engineers in the water well pump business.

#### **THOMAS A. NANCHY, SR. PROJECT MANAGER / PROJECT ENGINEER**

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2004-Byron Jackson Training Certificate  
1989-Dale Carnegie Course  
1992-Golden State Pump Technical Training Certificate  
1986-Layne & Bowler Pump School Certification  
1994-Baroid 1-week Drilling Fluid Technology Course Certification  
1998-National Water Works Correspondence Course Certification  
1994-Goulds Pump Course  
2020-BNSF Safety Course

**Professional Experience** Tom Nanchy, Sr. Project Manager, has been in the well and pump industry for over Forty (40) years. Throughout his professional career, he has been involved with hundreds of well rehabilitations and is highly regarded in the industry. His wide range of experience allows him to solve many difficult well and pump





issues and provide options. He has also spoken at many professional organizations throughout California with regards to well maintenance and well rehabilitations. Tom is AWWA certified pump installer and a certified pump installer for Large Water Systems (NGWA). He is factory trained and certified by Byron Jackson and Cla-Valve. Tom also holds a certificate with the Mine Safety and Health Administration (MSHA).

### **WALTER "RAY" REECE JR. BSBM-BSBA, GENERAL MANAGER**

---

#### **Professional Experience**

Combined over 40 years of experience managing businesses providing well rehabilitation, maintenance, well drilling, coring, pump manufacturing, and investigative drilling in the environmental, mining, energy and water resource industries. Earned two Bachelor of Science degrees in Business Administration and Management including a Finance focus. Identified, developed and negotiated contracts with private, public and governmental agencies to safely and successfully provide well rehabilitation technologies, pump and motor maintenance, drilling and construction services for a variety of applications. Ray has devoted time to technological transfers of information by conducting industry related seminars and guest lecturing at High Schools, Colleges, Universities, SME, AWWA, and the California Nevada American Water Works Association (Cal-NV AWWA).

### **FERNANDO MUNOZ. OPERATIONS MANAGER**

---

#### **Professional Experience**

Over 40 years' experience of quality control to ensure pumps are ready for installation, scheduling and management of shop and field production crews, and day-to-day management of those Company areas.

**Certifications** Grade 2 - Distribution Certificate  
Grade 2 - Water Treatment Operator

### **JAMES M. HINSON, SR. APPLICATION ENGINEER**

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#### **Professional Experience**

Over 40 years' experience of pump engineering. Conducts systems analyses, defines new and/or replacement hydraulic requirements, designs to procurement of materials.

### **LUIS A. BUSSO, P.G., SR. PROJECT GEOLOGIST**

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#### **Professional Experience**

Professional groundwater work for the past 14 years encompassing field monitoring and technical report writing for siting, geologic log analysis, design, construction, pump testing, water quality sampling, and rehabilitation of municipal-supply and irrigation-supply water wells. Combining geological and industry knowledge toward well project developments on behalf of water districts, cities, farmers, and other private owners within Central and Southern



California. He currently works alongside Ray Reece, at General Pump Company's Camarillo facility to design and implement pump and well solutions for the clients in the greater Santa Barbara and Ventura Counties.

**Academic**

**Background** University of California Santa Barbara – Bachelor of Science in Geologic Studies

**MARK HAAS, PROJECT MANAGER**

---

**Professional**

**Background** Professional background includes 18 years' experience within the well and pump industry. His experience includes Field Service Technician, AirBurst® Operations to include R & D for Frazier Industries and Bolt, Technologies for air gun operations and functionality and Certified Crane Operator.

**MICHAEL R. GARCIA, PROJECT ENGINEER**

---

**Professional**

**Background** Work alongside Project Manager to ensure progression and completion of pump projects. Review project specifications and prepare documents for engineered projects including as-built drawings and field crew instructions. Assist in project coordination and communication between field crews, vendors, and customers.

**Academic**

**Background** Loyola Marymount University, Los Angeles-Master of Science in Mechanical Engr.  
University of Redlands, Redlands - Bachelor of Science in Physics

**DANIEL J. PICHARDO, PROJECT ENGINEER**

---

**Professional**

**Background** Coordinate with project managers, operations manager, and senior applications engineer for materials procurement for all existing projects. Communicate with vendors and customers for timely delivery. Maintain safety manuals for continued safety compliance.

**Academic**

**Background** Seattle University - Bachelor of Science, Civil Engineering, Mathematics Minor

**J. ALFREDO ("FREDDY") RAMIREZ, PROJECT MANAGER**

---

**Professional**

**Background** Professional background includes 23 years' experience within the well and pump industry. His experience includes designing complete pump assemblies, performing well rehabs, well destructions as well as welding. His wide range of experience allows him to have knowledge in multiple fields in the industry.





## TEAM ORGANIZATION

***Step 1:*** Calls for service are taken by one of our engineers. This step is important and based on the issue may require further field inspections, testing, evaluation of data (City and GPC), and a meeting with one of our experienced engineers.

Based on our evaluation, we will submit options for the City to consider. Each option requires a discussion of ***Risk, Benefit, and Cost***. As more information and test data becomes available, the course of action may change. Each change requires GPC's engineers to reevaluate and discuss options.

***President/Director of Engineering (34 plus years' experience):*** General oversight of all GPC projects and project management team, and engineering.

***Project Managers / Engineers (30-40 years' experience) (Outside):*** Meet with customers, prepare solutions and options, and evaluate system problems along with pump and well problems.

***Project Managers / Engineers (5-15 years of experience) (Inside):*** Answer customer's technical questions, perform engineering, support outside project managers / engineers, and work closely with our field foremen, job plans and schedules.

***Operation Manager (40 years of experience):*** General oversight of field and shop operations; includes quality control, technical assistance, and equipment allocations for projects.

***Senior Pump Engineer (40 years of experience):*** Performs detailed engineering evaluations, pump inspections, and submits recommendations to project managers / engineers.

***Professional Geologist (12 years of experience):*** Reviews well rehabilitation processes, down hole testing, and submits recommendations.

***Field Technicians, Foremen, Electricians, Certified Welders, Certified Crane Operators, and 40-hour HAZMAT certified (10-30 years experience):*** Play an important role in the job planning, inspections, quality control, and solutions to the issues being discussed.

General Pump Company acquires only professional and experienced personnel to service our customers.



### OTHER KEY FACTS ABOUT GENERAL PUMP COMPANY

Although General Pump Company has the largest list of City Contracts, we also have close relationships with many Cities, Water Districts, and private water companies.

*Seminars* – General Pump Company is responsible for giving out thousands of Continuing Education Units (CEUs). General Pump Company sponsors many of these classes and is also invited speakers for many water associations. Teaching our customers how to protect their greatest capital assets (water systems) is part of our programs to help Southern California Cities become more cost effective in their water operations.

*Byron Jackson (Flowserve Corp)* – Byron Jackson submersible pumps have a unique design that requires a high degree of understanding. General Pump Company is one of two companies that are certified to sell and service BJ pumps and motors. This equipment must be purchased by a local dealer. BJ pumps are manufactured by Flowserve Corporation. There are no equals to the construction of these heavy duty pumps and motors. BJ pumps have been used for City water systems in the U.S. for over 100 years. General Pump has been working with these pumps for over 60 years in Southern California. The City of South Pasadena utilizes Byron Jackson pumps.

*Safety* - Safety is paramount when men and equipment are involved. A good safety record is important along with adequate insurance and bonding. General Pump Company, Inc. has the best safety record in Southern California for the water well and pump rehabilitation business. Over the past seven years, General Pump Company, Inc. has had minimal loss of time for work related injuries.

*Response Time* - The location of a full service pump facility can play a large role in our ability to respond, but also can substantially decrease or increase the cost of a project due to the hours spent hauling equipment to and from your sites. In summary, a 20-mile further commute will typically add about 20% higher cost for all field work.

*AirBurst®* - AirBurst® Technology is recognized throughout the United States as being one of the most effective development tools that can be used for high capacity wells. When Frazier Industries looked to expand their process into Southern California, they decided to team up with General Pump Company. General Pump Company performs more than 98% of all AirBurst® procedures in Southern California. This process has successfully cleaned the Cities' wells for over ten (10) years.



QUALITY

THE "GENERAL PUMP" WAY

- Two (2) Pump Engineering Centers to better serve the Southern California region San Dimas and Camarillo – General Pump does not drill wells, therefore 100% of our 67 years of expertise has been dedicated to well and pump rehabilitation.
- More Annual Maintenance Contracts (with renewal option) than all of our competitors combined for the Southern California region.
- Key Management Personnel as well as Qualified Technical and Support Personnel.
- Maintains a full-service machine shop, clean and safe rigs and cranes which provides for reliability, quality workmanship and safety. Also utilizes specialized equipment for chemical treatments.
- Water Flush Pumps - Various cities and water districts operate this special type of pump. General Pump engineered the pump and uses proprietary parts, which are manufactured in our San Dimas Facility.
- Certified to sell and service Byron Jackson pumps and motors in Southern California.
- Competitive prices per our Published Rate Schedule. Discounted rates for all annual contracts. Engineering services are *included* in our rates. All repairs include a one-year warranty for *workmanship, material, and Engineering*.
- Performs more than 98% of all AirBurst® procedures in Southern California. AirBurst® has successfully cleaned the Cities' wells without damaging the well screens.
- Utilizes a unique Well Profiling process to help solve well problems from sanding, lost production, and water quality issues. Our goal is to evaluate issues *prior* to pulling pump equipment.
- Responsible for giving out thousands of Continuing Education Units (CEUs) through our seminars.
- Best safety record in the industry.





**Water Well Solutions**

Water Well Solutions proudly represents "AirBurst® Technology" as an innovative water well rehabilitation technology. AirBurst® is a proven, comprehensive rehabilitation and development process for all types of water wells.

Water Well Solutions continues to be a leader in the well rehabilitation field. As an original AirBurst® licensee, we assisted in the initial development of the process, and continue to pursue innovative ways to enhance the technology. Our cutting edge approach has provided our clients with hundreds of successful applications (references available upon request).

Water Well Solutions is the authorized dealer for AirBurst® throughout the Midwest.

Water Well Solutions Illinois Division, LLC.  
44W158 Keslinger Rd. Elburn, IL 60119  
888-769-9009 • Fax 920-474-4771

Water Well Solutions Service Group, Inc.  
N87 W36051 Mapleton St.  
Oconomowoc, WI 53066  
888-769-9009 • Fax 920-474-4771  
www.WWSSG.com  
E-mail: info@WWSSG.com



**Water Well Solutions**

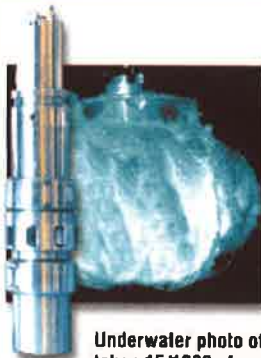
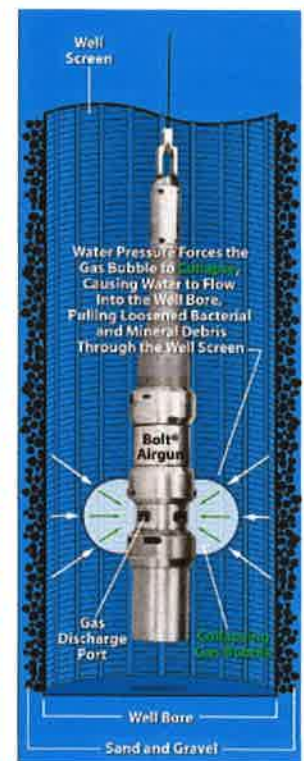
**BI-PRODUCT – RESIDUALS – EXPLOSIVES FREE**

# AIRBURST®

## Technology

**Your Exclusive and  
Only Licensed AIRBURST® Provider  
in Wisconsin and Northern Illinois!**

**The Powerful Rehabilitation and  
Development Process for all Water Well Types.**



Underwater photo of Bolt Air Gun taken 15/1000 of a second after firing

**NO CHEMICALS  
NO EXPLOSIVES  
ENVIRONMENTALLY  
FRIENDLY**

**Compressed air or inert gas** are the sources of AIRBURST® energy, providing an effective and responsible **green** alternative to other methods.



# MORE BANG FOR YOUR BUCK!



AirBurst is an All-American based technology and is a one of a kind patented process that uses high pressure air or inert gas to stimulate selected zones within the formation and generates high-energy pressure pulses in the well. This energy generates acoustic waves that break up and remove mineral scales, silts, sedimentation and bio-films from the bore hole wall or well screen. With the energy being released at 15/1000 of a second after firing, it generates an air bubble that expands and collapses inside the well. This provides a intense surging action that generates a mechanical cleaning of the well as the bubble expands and collapses. As the bubble collapse, it creates a negative pressure zone in the well that pulls in mineral and biological debris dislodged during the process for easy removal with a bailer.

## AIRBURST® Advantages

A single AirBurst® air gun has numerous interchangeable firing chambers to assure you of a tailored fit in any well of any construction. We have 7 different air guns and 22 chambers available.

ONLY AirBurst® electronically and precisely controls the air gun energy discharge to allow dislodged debris to settle before the next burst occurs. Electronic firing puts the energy control in the hands of our technician. Only AirBurst® can deliver the exact number of bursts per foot at the desired pressure and at the exact location within the well.

AirBurst® gun ports are also designed to provide maximum energy release by maximizing port area and internal throat size to the ports. The energy range we have available is 2 grains of TNT to 910 grains (2 pounds). We have the right tools for the smallest and most fragile well to the big tools needed to develop rock wall wells. Precise pressure regulation allows the AirBurst® process to develop sustainable, controlled and exactly repeatable energy discharges to create a constant energy level to be maintained as the air gun is raised in the well and the hydrostatic pressure decreases. No guess work with AirBurst®.

## No One Compares to the Power of AirBurst®:

AirBurst® Model	5500LL	2800LL	1900LL&B	1500C
Chamber sizes (cu. in.)	1 – 40	20 – 120	20 – 200	500
Max Working Pressure (psi)	2,500	2,500	3,000	3,000
Pulse Frequency and Pressure	Operator Controlled	Operator Controlled	Operator Controlled	Operator Controlled
Max. Pulse Energy @ 3000psi.	27 grams TNT	68 grams TNT	109 grams TNT	273 grams TNT

Water Well Solutions Illinois Division, LLC.  
 44W158 Keslinger Rd. Elburn, IL 60119  
 888-769-9009 • Fax 920-474-4771

Water Well Solutions Service Group, Inc.  
 N87 W36051 Mapleton St., Oconomowoc, WI 53066  
 888-769-9009 • Fax 920-474-4771  
 www.WWSSG.com E-mail: info@WWSSG.com



**Water Well Solutions**

	<b>Sandstone Well</b>	<b>Screened Well</b>	<b>Limestone Well</b>
<b>BEFORE</b>			
	Specific Capacity 0.8	Specific Capacity 92.2	Specific Capacity 1.2
<b>AFTER</b>			
	Specific Capacity 2.7	Specific Capacity 130	Specific Capacity 44.93





**Drill & Press**



**Vertical Turret Lathe Machine**



**General Pump manufactures most of our parts, which reduces cost, saves time, and improves quality. A 60-year collection of spare parts. If one pump is obsolete, there is a good chance we can find what we need or make it. Customer's equipment is temporarily stored for your inspection.**







**We repair your shafts with special pneumatic tools.**



**A staff of five maintains our rigs and equipment to make sure our equipment is safe and reliable.**



**AirBurst® Equipment - A "Patented Process"**



**GPC is the only Southern California Pump Service Company to own and operate a CNC machine. Why? Higher quality parts, faster, and at a lower cost.**



**Welding & Fabrication Shop**

**Our "primary" pipe fitter/welder is a certified welder with over 30 years' experience.**



**Steam Cleaning**



**Sandblaster**



**Electrical**



**30 -Ton Truck**





**375 Compressor**



**500HP Diesel Engine**



**40-Ton Crane**

**Utility Truck**



159 N. ACACIA STREET \* SAN DIMAS, CA 91773  
 PHONE: (909) 599-9606 \* FAX: (909) 599-6238  
 CAMARILLO, CA 93010 \* PHONE: (805) 482-1215  
 www.genpump.com

**WELL & PUMP SERVICE SINCE 1952**  
*Serving Southern California and Central Coast*

Lic. #496765

**Well Preventative Maintenance Contracts**

<u>Client References</u>	<u>Project</u>	<u>Work Description</u>	<u>Period</u>	<u>Project Cost</u>
City of Arcadia 240 W. Huntington Drive Arcadia, CA 91066 Contact: Tom Tait Ofc: 626-256-6554	Well & Booster Preventative Maintenance	Well & Booster Preventative Maintenance	Aug. 2019- Present	\$ 137,550.00
City of Glendora 116 E. Foothill Blvd. Glendora, CA 91740 Contact: Steve Patton Ofc: 626-914-8200	Well & Booster Maintenance	Well & Booster Preventative Maintenance	June 2017-December 2019	\$102,000.00
City of Santa Monica 1228 South Bundy Drive Los Angeles, CA 90025 Contact: Gary Rickinick Ofc: 310-458-8411	Water Well & Pump Maintenance	Water Well & Pump Maintenance	July 2018-July 2023	\$218,000.00
City of Orange 189 South Water Street Orange, CA 92866 Contact: Son Tran Ofc: 714-288-2497	Well Maintenance and Repairs	Well Maintenance and Repairs	July 2018-July 2021	\$1,224,160.00
City of Monterey Park 2657 N. Delta Avenue Rosemead, CA 91770 Contact: Ralph Martinez Ofc: 626-280-5552	Well & Booster Maintenance	Well & Booster Preventative Maintenance	Jan 2017. – Jan 2022	\$400,000.00
<b>General Pump Company has more Annual Maintenance Contracts in Southern California than all our competitors combined.</b>				



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 PHONE: (909) 599-9606 \* FAX: (909) 599-6238  
 CAMARILLO, CA 93010 \* PHONE: (805) 482-1215  
 www.genpump.com

**WELL & PUMP SERVICE SINCE 1952**  
*Serving Southern California and Central Coast*

Lic. #496765

**Similar Well and Pump Rehab Projects**

<u>Client References</u>	<u>Project</u>	<u>Work Description</u>	<u>Period</u>	<u>Project Cost</u>
City of Colton 160 South 10 <sup>th</sup> Street Colton, CA 92324 Contact: Mike Cory Ofc: 909-370-6101	Well 31	Well Rehabilitation	Jan - April 2020	\$126,324
City of Ontario 1425 South Bon View Ontario, CA 91762 Contact: Chris Bonadurer Ofc: 909-395-2696	Well 43	Well Rehabilitation	Nov 2019- April 2020	\$119,560
City of South Gate 8650 California Ave South Gate, CA 90280 Contact: Ana Ananda Ofc: 323-563-9500	Well 28	Well Rehabilitation	Oct - Dec 2019	\$192,120
City of Orange 189 South Water Street Orange, CA 92866 Contact: Son Tran Ofc: 714-288-2497	Well 20	Well & Pump Rehab	Sept – Oct 2019	\$131,000
Western Municipal WD 14205 Meridian Pkwy Riverside, CA 92518 Contact: Fakhri Manghi Ofc: 951-571-7290	Arlington Desalter Well 1	Well & Pump Rehab	Feb- June 2019	\$188,807
City of Anaheim 909 East Vermont Ave Anaheim, CA 92805 Contact: Mark Adams Ofc: 714-765-4311	Well 41	Well Redevelopment; Pump Rehab	March 2018- June 2019	\$164,894
Elsinore Valley WD 31315 Chaney Street Lake Elsinore, CA 92530 Contact: John Manhard Ofc: 915-674-3146	Summerly Well	Well & Pump Rehab	July 2018- June 2019	\$341,882
<b>Additional References Available Upon Request</b>				



CONTRACTORS  
STATE LICENSE BOARD  
ACTIVE LICENSE



License Number **496765**

Entity **CORP**

Business Name **GENERAL PUMP COMPANY INC**

Classification(s) **C57 C61/D21 A**

Expiration Date **08/31/2022**

[www.csib.ca.gov](http://www.csib.ca.gov)





# APPLICATION FOR PUBLIC WORKS CONTRACTOR REGISTRATION

## Registration Information

---

Type: Renewal  
Period: July 1, 2019 – June 30, 2022

## Contractor Information

---

Contractor Name: GENERAL PUMP COMPANY, INC.  
Trade Name:  
License Type Number: 1000002769

## Contractor Physical Address

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Physical Business Country: United States of America  
Physical Business Address: 159 N. ACACIA ST.  
Physical Business City/ Province: SAN DIMAS  
Physical Business State: CA  
Physical Business Postal Code: 91773

## Contractor Mailing Address

---

Mailing Business Country:  
Mailing Business Address:  
Mailing Business City/ Province:  
Mailing Business State:  
Mailing Business Postal Code:

## Contact Info

---

Daytime Phone:  
Mobile Phone:  
Daytime Phone Ext.:  
Business Email: gcampbell@genpump.com  
Applicant's Email: asantacruz@genpump.com

# Workers' Compensation

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## Professional Employer Organization (PEO)

---

Do you lease employees through Professional Employer Organization? No

## Workers' Compensation Overview

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Insured by carrier

Carrier: TRAVELERS PROPERTY  
CASUALTY INSURANCE  
COMPANY

Inception Date: June 1, 2017

Policyholder Name: GENERAL PUMP COMPANY,  
INC.

Expiration Date: May 30, 2018

Policy Number: PJUB-5946N79-9-16

## Certification

---

- Yes I certify that I do not have any delinquent liability to an employee or the state for any assessment of back wages or related damages, interest, fines, or penalties pursuant to any final judgment, order, or determination by a court or any federal, state, or local administrative agency, including a confirmed arbitration award
- Yes I certify that the contractor is not currently debarred under Section 1777.1 or under any other federal or state law providing for the debarment of contractors from public works.
- Yes I certify that one of the following is true: (1) I am licensed by the Contractors State License Board (CSLB) in accordance with Chapter 9 (commencing with Section 7000) of the Business and Professions Code; or (2) my business or trade is not subject to licensing by the CSLB.

I understand refunds are not authorized

I, Allison Santa Cruz, the undersigned, am , GENERAL PUMP COMPANY, INC. with the authority to act for and on behalf of the above named contractor. I certify under penalty of perjury that all of the above information provided is true and correct. I further acknowledge that any untruthful information provided in this application could result in the certification being canceled.

I certify this on: 5/24/2019 8:51:18 AM

## Legal Entity Information

---

### Legal Entity Type: Corporation

---

Name: GENERAL PUMP COMPANY, INC.

**Risk Summary Report****Bureau Number: 1-34-56-34****Date Created: April 20, 2020****Risk's Primary Name and Mailing Address:**GENERAL PUMP CO INC  
159 NORTH ACACIA STREET  
SAN DIMAS, CA 91773-0000

Experience Modification(s) -- last 10 years:			
Rating Year	X-Mod	X-Mod Status	Rerate
2020	78	Published	0
2019	55	Published	0
2018	58	Published	0
2017	59	Published	0
2016	62	Published	0
2015	63	Published	0
2014	65	Published	0
2013	64	Published	0
2012	72	Published	0
2011	70	Published	0

Classification developing the most payroll during current Experience Period		
Class Code	Inspected	Description
3612	Yes	Pump/Hydraulic Apparatus Mfg/Repair

WCIRB Assigned Classification(s):			
Class Code	Suffix	Inspected	Description
3612	00	Yes	Pump/Hydraulic Apparatus Mfg/Repair
3724	01	Yes	Millwright Work
8742	00	Yes	Salespersons-Outside
8810	00	Yes	Clerical Office Employees

Additional Names on current policies
GENERAL PUMP CO INC

# Cal/OSHA Form 300A (Rev. 7/2007) Appendix B

## Annual Summary of Work-Related Injuries and Illnesses



All establishments covered by CCR Title 8 Section 14300 must complete this Annual Summary, even if no work-related injuries or illnesses occurred during the year. Remember to review the Log to verify that the entries are complete and accurate before completing this summary.

Using the Log, count the individual entries you made for each category. Then write the totals below, making sure you've added the entries from every page of the Log. If you had no cases, write "0."

Employees, former employees, and their representatives have the right to review the Cal/OSHA Form 300 in its entirety. They also have limited access to the Cal/OSHA Form 301 or its equivalent. See CCR Title 8 Section 14300.35, in Cal/OSHA's recordkeeping rule, for further details on the access provisions for these forms.

### Number of Cases

Total number of deaths	Total number of cases with days away from work	Total number of cases with job transfer or restriction	Total number of other recordable cases
0	0	0	0
(G)	(H)	(I)	(J)

### Number of Days

Total number of days away from work	Total number of days of job transfer or restriction
0	0
(K)	(L)

### Injury and Illness Types

Total number of ... (M)	
(1) Injuries	0
(2) Skin disorders	0
(3) Respiratory conditions	0
(4) Poisonings	0
(5) Hearing loss	0
(6) All other illnesses	0

Post this Annual Summary from February 1 to April 30 of the year following the year covered by the form.

**Establishment information**

Your establishment name General Pump Company, Inc.

Street 159 N Acacia St.

City San Dimas State CA ZIP 91773

Industry description (e.g. *Manufacture of motor truck trailers*)  
Water Well Services & Maintenance

Standard Industrial Classification (SIC), if known (e.g. *SIC 3715*)  
1 7 8 1

**Employment information** (If you don't have these figures, use the optional Worksheet to estimate.)

Annual average number of employees 53

Total hours worked by all employees last year 119,815

**Sign here**

**Knowingly falsifying this document may result in a fine.**

I certify that I have examined this document and that to the best of my knowledge the entries are true, accurate, and complete.

[Signature] Administrator  
Company executive Title  
(909) 599-9686 01/15/18  
Phone Date

t



OSHA's Form 300A (Rev. 01/2004)

**Summary of Work-Related Injuries and Illnesses**

Section 4 (27)

Year 20 1 8

U.S. Department of Labor  
Occupational Safety and Health Administration

Form approved OMB no. 1218-0176

All establishments covered by Part 1904 must complete this Summary page, even if no work-related injuries or illnesses occurred during the year. Remember to review the Log to verify that the entries are complete and accurate before completing this summary.

Using the Log, count the individual entries you made for each category. Then write the totals below, making sure you've added the entries from every page of the Log. If you had no cases, write "0."

Employees, former employees, and their representatives have the right to review the OSHA Form 300 in its entirety. They also have limited access to the OSHA Form 301 or its equivalent. See 29 CFR Part 1904.35, in OSHA's recordkeeping rule, for further details on the access provisions for these forms.

**Number of Cases**

Total number of deaths	Total number of cases with days away from work	Total number of cases with job transfer or restriction	Total number of other recordable cases
<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>
(G)	(H)	(I)	(J)

**Number of Days**

Total number of days away from work	Total number of days of job transfer or restriction
<u>35</u>	<u>172</u>
(K)	(L)

**Injury and Illness Types**

Total number of ... (M)			
(1) Injuries	<u>2</u>	(4) Poisonings	<u>0</u>
(2) Skin disorders	<u>0</u>	(5) Hearing loss	<u>0</u>
(3) Respiratory conditions	<u>0</u>	(6) All other illnesses	<u>0</u>

Post this Summary page from February 1 to April 30 of the year following the year covered by the form.

Public reporting burden for this collection of information is estimated to average 58 minutes per response, including time to review the instructions, search and gather the data needed, and complete and review the collection of information. Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number. If you have any comments about these estimates or any other aspects of this data collection, contact: US Department of Labor, OSHA Office of Statistical Analysis, Room N-3644, 200 Constitution Avenue, NW, Washington, DC 20210. Do not send the completed forms to this office.

**Establishment information**Your establishment name General Pump Company, Inc.Street 159 N Acacia StCity San Dimas State CA ZIP 91773Industry description (e.g., *Manufacture of motor truck trailers*)Ware Well Services & Maintenance

Standard Industrial Classification (SIC), if known (e.g., 3715)

1 7 8 1

OR

North American Industrial Classification (NAICS), if known (e.g., 336212)

**Employment information** (If you don't have these figures, see the Worksheet on the back of this page to estimate.)Annual average number of employees 54Total hours worked by all employees last year 126,732**Sign here****Knowingly falsifying this document may result in a fine.**

I certify that I have examined this document and that to the best of my knowledge the entries are true, accurate, and complete.

Company executive

Controller

(909) 599-9606

01/29/19

Phone

Date



Section 4 (29)

# OSHA's Form 300A (Rev. 01/2004) Summary of Work-Related Injuries and Illnesses

Year 2020



U.S. Department of Labor  
Occupational Safety and Health Administration

Form approved OMB no. 1215-0176

All establishments covered by Part 1904 must complete this Summary page, even if no injuries or illnesses occurred during the year. Remember to review the Log to verify that the entries are complete.

Using the Log, count the individual entries you made for each category. Then write the totals below, making sure you've added the entries from every page of the log. If you had no cases write "0."

Employees former employees, and their representatives have the right to review the OSHA Form 300 in its entirety. They also have limited access to the OSHA Form 301 or its equivalent. See 29 CFR 1904.35, in OSHA's Recordkeeping rule, for further details on the access provisions for these forms.

### Number of Cases

Total number of deaths	Total number of cases with days away from work	Total number of cases with job transfer or restriction	Total number of other recordable cases
<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>
(G)	(H)	(I)	(J)

### Number of Days

Total number of days away from work	Total number of days of job transfer or restriction
<u>8</u>	<u>124</u>
(K)	(L)

### Injury and Illness Types

Total number of... (M)	
(1) Injury	<u>2</u>
(2) Skin Disorder	<u>0</u>
(3) Respiratory Condition	<u>0</u>
(4) Poisoning	<u>0</u>
(5) Hearing Loss	<u>0</u>
(6) All Other Illnesses	<u>0</u>

Post this Summary page from February 1 to April 30 of the year following the year covered by the form

Public reporting burden for this collection of information is estimated to average 58 minutes per response, including time to review the instruction, search and gather the data needed, and complete and review the collection of information. Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number. If you have any comments about these estimates or any aspects of this data collection, contact: US Department of Labor, OSHA Office of Statistics, Room N-3644, 200 Constitution Ave. NW, Washington, DC 20210. Do not send the completed forms to this office.

### Establishment information

Your establishment name GENERAL PUMP COMPANY, INC.  
 Street 159 N ACACIA ST  
 City SAN DIMAS State CA Zip 91773  
 Industry description (e.g., Manufacture of motor truck trailers)  
WATER WELL SERVICE AND MAINTENANCE  
 Standard Industrial Classification (SIC), if known (e.g., SIC 3715)  
1 7 8 1  
 OR North American Industrial Classification (NAICS), if known (e.g., 336212)

### Employment Information

Annual average number of employees 51  
 Total hours worked by all employees last year 119,527

### Sign here

Knowingly falsifying this document may result in a fine.

I certify that I have examined this document and that to the best of my knowledge the entries are true, accurate, and complete.

ALLISON SANTA CRUZ  
Company executive

ADMINISTRATOR  
Title

909-598-8608  
Phone

2/1/2021  
Date

# EXHIBIT C

RFP: As-needed Pump Services

Joanne Chan, Joe Schaack &amp;

Proposer: General Pump Company, Inc.Evaluators: Sergio Granda

Topics	Points Allowed	Points Awarded	Comments
<b>Qualifications and Experience</b>	<b>10%</b>		
Primary objectives addressed	0-4	4	
Forms Completed	0-3	3	
Experience/Resumes provided	0-3	3	
<b>Total</b>		<b>10</b>	
<b>Capability</b>	<b>25%</b>		
Length of Service more than 5 years	0-3	3	
Length of Service more than 10 years	0-4	4	
Current Government Contracts	0-3	3	
24 Hour Emergency	0-3	3	
Response Times	0-5	5	
Assigned Project Manager	0-4	4	
Subcontractor Work	0-3	3	
<b>Total</b>		<b>25</b>	
<b>References</b>	<b>5%</b>		
References Provided	0-2	2	
Evaluation of References	0-3	3	
<b>Total</b>		<b>5</b>	
<b>Compliance/Completeness</b>	<b>10%</b>		
Perform Necessary Tasks	0-3	3	
Warranty	0-2	2	
Timeliness of Repairs	0-3	3	
Full Service Shop with All Equipment	0-2	2	
<b>Total</b>		<b>10</b>	
<b>Budget</b>	<b>50%</b>		
Appropriate Price for Scope of Services	0-25	25	
Total Price Cost Provided for completion	0-25	25	
<b>Total</b>		<b>50</b>	
<b>TOTAL PROPOSAL POINTS AWARDED:</b>		<b>100</b>	

RFP: As-needed Pump Services

Joanne Chan, Joe Schaack &amp;

Proposer: Layne Christensen CompanyEvaluators: Sergio Grandia

Topics	Points Allowed	Points Awarded	Comments
<b>Qualifications and Experience</b>	<b>10%</b>		
Primary objectives addressed	0-4	4	
Forms Completed	0-3	3	
Experience/Resumes provided	0-3	3	
<b>Total</b>		<b>10</b>	
<b>Capability</b>	<b>25%</b>		
Length of Service more than 5 years	0-3	3	
Length of Service more than 10 years	0-4	4	
Current Government Contracts	0-3	3	
24 Hour Emergency	0-3	3	
Response Times	0-5	5	
Assigned Project Manager	0-4	4	
Subcontractor Work	0-3	3	
<b>Total</b>		<b>25</b>	
<b>References</b>	<b>5%</b>		
References Provided	0-2	2	
Evaluation of References	0-3	3	
<b>Total</b>		<b>5</b>	
<b>Compliance/Completeness</b>	<b>10%</b>		
Perform Necessary Tasks	0-3	3	
Warranty	0-2	2	
Timeliness of Repairs	0-3	3	
Full Service Shop with All Equipment	0-2	2	
<b>Total</b>		<b>10</b>	
<b>Budget</b>	<b>50%</b>		
Appropriate Price for Scope of Services	0-25	20	
Total Price Cost Provided for completion	0-25	20	
<b>Total</b>		<b>40</b>	
<b>TOTAL PROPOSAL POINTS AWARDED:</b>		<b>90</b>	

RFP: As-needed Pump Services

Joanne Chan, Joe Schaack &amp;

Proposer: Weber Water Resources CA LLCEvaluators: Sergio Granda

Topics	Points Allowed	Points Awarded	Comments
<b>Qualifications and Experience</b>	<b>10%</b>		
Primary objectives addressed	0-4	4	
Forms Completed	0-3	3	
Experience/Resumes provided	0-3	3	
<b>Total</b>		<b>10</b>	
<b>Capability</b>	<b>25%</b>		
Length of Service more than 5 years	0-3	3	
Length of Service more than 10 years	0-4	4	
Current Government Contracts	0-3	3	
24 Hour Emergency	0-3	3	
Response Times	0-5	5	
Assigned Project Manager	0-4	4	
Subcontractor Work	0-3	3	
<b>Total</b>		<b>25</b>	
<b>References</b>	<b>5%</b>		
References Provided	0-2	2	
Evaluation of References	0-3	2	
<b>Total</b>		<b>4</b>	
<b>Compliance/Completeness</b>	<b>10%</b>		
Perform Necessary Tasks	0-3	3	
Warranty	0-2	2	
Timeliness of Repairs	0-3	3	
Full Service Shop with All Equipment	0-2	2	
<b>Total</b>		<b>10</b>	
<b>Budget</b>	<b>50%</b>		
Appropriate Price for Scope of Services	0-25	20	
Total Price Cost Provided for completion	0-25	20	
<b>Total</b>		<b>40</b>	
<b>TOTAL PROPOSAL POINTS AWARDED:</b>		<b>89</b>	

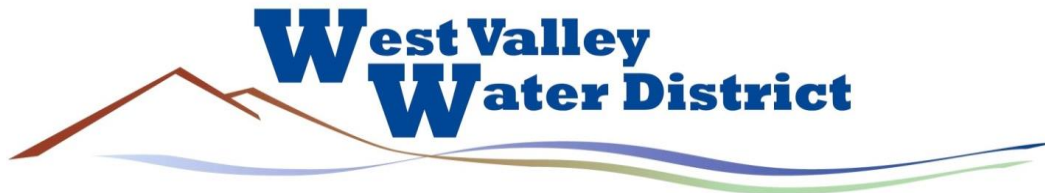
RFP: As-needed Pump Services

Joanne Chan, Joe Schaack &amp;

Proposer: Well Tec. ServicesEvaluators: Sergio Granda

Topics	Points Allowed	Points Awarded	Comments
<b>Qualifications and Experience</b>	<b>10%</b>		
Primary objectives addressed	0-4	4	
Forms Completed	0-3	3	
Experience/Resumes provided	0-3	2	
<b>Total</b>		<b>9</b>	
<b>Capability</b>	<b>25%</b>		
Length of Service more than 5 years	0-3	2	
Length of Service more than 10 years	0-4	3	
Current Government Contracts	0-3	3	
24 Hour Emergency	0-3	3	
Response Times	0-5	4	
Assigned Project Manager	0-4	3	
Subcontractor Work	0-3	3	
<b>Total</b>		<b>21</b>	
<b>References</b>	<b>5%</b>		
References Provided	0-2	2	
Evaluation of References	0-3	3	
<b>Total</b>		<b>5</b>	
<b>Compliance/Completeness</b>	<b>10%</b>		
Perform Necessary Tasks	0-3	3	
Warranty	0-2	2	
Timeliness of Repairs	0-3	3	
Full Service Shop with All Equipment	0-2	2	
<b>Total</b>		<b>10</b>	
<b>Budget</b>	<b>50%</b>		
Appropriate Price for Scope of Services	0-25	20	
Total Price Cost Provided for completion	0-25	20	
<b>Total</b>		<b>40</b>	
<b>TOTAL PROPOSAL POINTS AWARDED:</b>		<b>85</b>	





**BOARD OF DIRECTORS  
STAFF REPORT**

**DATE:** May 6, 2021  
**TO:** Board of Directors  
**FROM:** Shamindra Manbahal, Interim General Manager  
**SUBJECT:** UPDATE: FIXED BED REACTOR PERCHLORATE (FXB) TREATMENT SYSTEM

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**BACKGROUND:**

In 2009, the West Valley Water District (WVWD) began the process of developing a project to address the contamination impacting the Rialto Colton Groundwater Basin (Basin). In 2010, an ion exchange system was installed adjacent to Cactus Basin No. 2 to address the issue of perchlorate contamination. To further add operational flexibility and meet peak demands, a Fluidized Bed Bioreactor (FBR) Water Treatment Plant was constructed in 2010 and completed in 2013. The FBR removes perchlorate, nitrate, and trichloroethylene.

**DISCUSSION:**

The FXB was scheduled to be constructed, commissioned, permitted, complete demonstration testing, and turned over to the District for potable operations by December 2017. The FXB was started up in November 2017, received an operating permit in May 2019, and was down much of the year 2020 due to constraints discharging off-specification water into Cactus Basin No. 2. The FXB has not been able to successfully demonstrate it can sustainably produce drinking water at either the design flow rate or the hydraulic capacity; therefore, the project has not been accepted by the District. The project is nearly three and half years past due and has not met these stated obligations. Staff recommends that the District move towards seeking a more effective source of treatment than FXB and issue a Notice of Termination for Convenience.

**FISCAL IMPACT:**

WVWD did not utilize any rate payer dollars to support this project. All funding has been received by grants. There is no immediate fiscal impact associated with this item.

**STAFF RECOMMENDATION:**

Staff recommends that this item be submitted for consideration, and that the Board of Directors approve this item and authorize the Interim General Manager to execute the necessary documents.

SM:jc