

**Borrego Water District Board of Directors
Special Meeting Revised
I.F.1 CORRECRED &
IV.B.6 ADDED
December 11, 2018 @ 9:00 a.m.
806 Palm Canyon Drive
Borrego Springs, CA 92004**

I. OPENING PROCEDURES

- A. Call to Order
- B. Pledge of Allegiance
- C. Roll Call
- D. Oath of Office for Directors Brecht, Dice and Duncan – G Poole
- E. Approval of Agenda
- F. Approval of Minutes
 - 1. **Regular** Meeting Minutes: November 18, 2018
- G. Comments from the Public & Requests for Future Agenda Items (may be limited to 3 min)
- H. Comments from Directors

II. ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION

- A. Borrego Water District
 - 1. Capital Improvement Plan Update
 - a. BWD Pipelines - Phase One: Bid Results – C Beltran, Dynamic Engineering
 - b. Well Replacement #1 & #2 Bid Strategy & Documents – T. Driscoll, Dudek Engineering
 - 2. FY 2018 Audit: Squar Milner LLP and Future Special Meeting Dates & Timing – L Brecht
 - 3. Proposition 218 Rate Study process – L Brecht
 - 4. Dolly Mack Associates Board Strategy Development Proposal & Bio – L Brecht
 - 5. Resolutions of Appreciation for Directors Hart and Tatusko – G Poole
- B. GSA: Borrego Springs Sub Basin
 - 1. Rick Alexander Supplemental Proposal for Evaluation of Additional Grant Opportunities – Brecht
 - 2. Local Government Commission Proposal to work with TRAC on this proposal - Brecht
 - 3. Report from BWD Ratepayer Representative on Groundwater Sustainability Plan Advisory Committee – G Haldeman

III. INFORMATIONAL ITEMS

- A. Borrego Water District
 - 1. Rick Alexander Monthly Grant Update - TRAC
- B. Borrego Sub Basin GSA
 - 1. BWD Big Picture Analysis PPT - Brecht
 - 2. SGMA GSP development issues PPT - Brecht

3. ENSI Takeaways PPT – Brecht
4. ENSI, Methodology to Examine Future Groundwater Overdraft In Terms Of The Overall Hydrologic Water Balance Considering Recharge Variability And Parameter Uncertainty (September 12, 2018)

IV. STANDING AND AD-HOC BOARD COMMITTEE REPORTS –

A. STANDING:

1. Operations and Infrastructure - Delahay

B. AD-HOC:

1. GSP Preparation – Brecht
2. 2018 Audit – Brecht & Ehrlich
3. Rams Hill Operating Agreement – Brecht
4. Risk – Ehrlich
5. Rams Hill LCTA – TBD

6. ACWA/JPIA Conference - Ehrlich

- C. Discussion of New Committee Appointment Process – Jan. 2019

V. STAFF REPORT

- A. Financial Reports: September and October 2018
- B. Water and Wastewater Operations Report: October 2018
- C. Water Production/Use Records: October 2018
- D. General Manager
 1. Goals and Objectives Report

VI. CLOSED SESSION:

- A. Conference with Legal Counsel - Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (Three (3) potential cases)
- B. Conference with legal counsel for Public Employee Performance Evaluation - Title: General Manager Employee Performance Review- pursuant to subdivision (d) (4) of Government Code Section (Government Code § 54957).

VII. CLOSING PROCEDURE

- A. Suggested Items for Next/Future Agenda
- B. The next Meeting of the Board of Directors is scheduled for January 15, 2019 at the Borrego Water District

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING – DECEMBER 11, 2018
OATH OF OFFICE

December 5, 2018

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: Oath of Office for Directors Brecht, Dice and Duncan – G Poole

RECOMMENDED ACTION:

Administer Oath of Office

ITEM EXPLANATION:

In November 2018, three Directors were elected (unopposed) for seats on the BWD Board of Directors, Lyle Brecht, Kathy Dice and Dave Duncan. To formalize their seating on the Board, the General Manager will administer the Oath of Office to the incoming Directors.

FISCAL IMPACT:

N/A

ATTACHMENTS:

None

Borrego Water District Board of Directors
MINUTES
Regular Meeting
November 13, 2018 @ 9:00 a.m.
806 Palm Canyon Drive
Borrego Springs, CA 92004

I. OPENING PROCEDURES

- A.** Call to Order: President Hart called the meeting to order at 9:00 a.m.
- B.** Pledge of Allegiance: Those present stood for the Pledge of Allegiance.
- C.** Roll Call: Directors: Present: President Hart, Secretary/Treasurer
 Tatusko, Delahay, Ehrlich
 Absent: Vice-President Brecht
 Staff: Geoff Poole, General Manager
 Kim Pittman, Administration Manager
 Carlos Beltran, District Engineer
 Wendy Quinn, Recording Secretary
 Public: Rebecca Falk, GSP AC, Sponsor Group
 Bill Berkley, GSP AC
 Dave Duncan, Core Team
 Diane Johnson, GSP AC
 Gary Haldeman, GSP AC
 Trey Driscoll, Dudek (via teleconference)
- D.** Approval of Agenda: ***MSC: Tatusko/Ehrlich approving the Agenda as written.***
- E.** Approval of Minutes:
1. Special Meeting Minutes: October 16, 2018
MSC: Delahay/Ehrlich approving the Minutes of the Special Meeting of October 16, 2018 as amended (add the following sentence to section I.F, first paragraph, next to the last sentence: "If the cost is between \$500 and \$1,000 over, the General Manager has authority to approve it with an invoice submitted.")
 2. Regular Meeting Minutes: October 24, 2018
MSC: Delahay/Tatusko approving the Minutes of the Regular Meeting of October 24, 2018 as written.
- F.** Comments from the Public and Requests for Future Agenda Items: None
- G.** Comments from Directors: None

II. ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION

A. BORREGO WATER DISTRICT:

1. Capital Improvement Plan Update:
 - a. BWD Pipeline Projects. Carlos Beltran reported that the specifications were complete for Phase 1 of the pipeline projects, in Weather Vane, T Anchor, Double O and Frying Pan, and the project was out to bid. There has been interest from contractors, and a pre-bid meeting is scheduled in two weeks. The bids are due December 4. He and Geoff Poole will prepare an analysis and report to the Board before award. Director Ehrlich requested a detailed cost analysis, perhaps including contingency. Director Tatusko noted that now that there are spaces for work categories on the crew's time cards, they can code in the project.

Mr. Beltran reported that Phases 2 (Double O, Di Giorgio, Tilting T, Country Club and De Anza) and 3 (Yaqui Pass, Country Club, Slash, Weather Vane, Borrego Springs Road, Tilting T and Di Giorgio) are in the preliminary design phase, including right-of-way research. Phase 1 plans

should be complete by the end of the year, followed by 1.5 months for contract development and bids, with construction to begin in early March. Phase 1 should be nearing completion by then. Phase 2 should be completed by the end of May. Phase 3 will begin in mid-January, bid in March or April, begin construction in mid-May and be complete by the end of August. Mr. Beltran reported he was working to contact the County Public Works staff to coordinate the projects.

b. Well Replacement #1. Trey Driscoll reported that he and District staff had prepared bid specifications and documents for the first well replacement. Legal review is in progress, and once complete, the project can go out to bid. It should take three to four weeks to receive the bids, then Mr. Driscoll will review the bids with the District, select a contractor and begin drilling in January. The work is expected to take three to four months, followed by installation of a pump motor.

2. Replacement Well #1 Bid Documents. **MSC: Ehrlich/Tatusko authorizing staff to go out to bid on Well Replacement #1.**

3. Selection of Dudek Engineering for Well Siting and Construction Management Services for Replacement Well #2. Mr. Driscoll reported he, Greg Holloway and Mr. Poole had completed most of the well site location work. Much of the work on this well can be done concurrently with Well #1, and the projects might even be bid together. This would be a cost savings and might generate more interest from bidders. Securing of the Well #2 parcel could take place during the drilling of Well #1. **MSC: Tatusko/Delahay selecting Dudek Engineering for Well Replacement #2 siting and construction management services.**

4. Proposition 3 Outcome/Update. Mr. Poole reported that Proposition 3 failed by 321,000 votes, or 2.3 percent. He invited the Board's attention to Jerry Meral's letter in the Board package. There has been some discussion about trying to get the measure on the ballot again in 2020, and there has been some discussion with the Legislature. President Hart asked whether the District had a statement to release to the public on the subject. Mr. Poole explained that whatever was planned previous to the inception of the ballot measure would continue. The District will continue to pursue creative financing, i.e. grants and loans. President Hart added that the District will continue with the GSP process. Mr. Haldeman stressed the importance of repairing and replacing the infrastructure, which has been delayed for years. President Hart explained that because Borrego Springs is an SDAC and there will be costs associated with the GSP, there may be State funds available. The District will follow every opportunity to relieve the community from these costs. Director Tatusko added that we have to plan for the worst case (no grants or loans) so the District can continue to provide drinking water and sewage treatment. Mr. Poole invited the Board's attention to a "Yes on 3" flyer in the Board package.

5. Fiscal Year 2017-18 Audit. Director Ehrlich reported there had been a change in the lead auditor. Director Brecht wants to move forward as quickly as possible. The auditors sent questions to Kim Pitman and are awaiting documentation.

6. Sewer EDU sale from ABNHA to Carlee's. Ms. Pitman reported that ABNHA transferred four EDUs to Carlee's. Carlee's also purchased three EDUs from the District. **MSC: Ehrlich/Delahay approving the sewer EDU sale from ABNHA to Carlee's.**

B. GSA: BORREGO SPRINGS SUB BASIN :

1. SGMA GSP Development Issues. This item was deferred to the next meeting.

2. Report from BWD Ratepayer Representative on Groundwater Sustainability Plan Advisory Committee. Gary Haldeman reported he had been discussing issues with ratepayers. Once the draft GSP is complete and released for 60 days of public comment, he plans to have as many ratepayers' meetings as possible. He asked the Board members and staff to let him know if there is any material he should read to become better informed, in addition to what he already has.

Comments from the public included golf courses should use less water, citrus should be grown elsewhere, why are there different charges for different size meters, there are too many golf

courses, the farmers should leave, what is the water rate money used for, golf courses bring money into the Valley, residents have cut water use enough already.

President Hart asked about pending legislation that would allow the District to offer lower water rates to the needy and seniors. Director Ehrlich understood the policy is not changing, but language regarding the Human Right to Water is being included. Mr. Haldeman emphasized the need to explain the need to repair and replace our infrastructure. Rebecca Falk understood there was pending legislation with guidelines for adjustable rates. Director Ehrlich asked Mr. Poole to distribute the ACWA summary of legislation.

III. INFORMATIONAL ITEMS

None

IV. STANDING AND AD-HOC BOARD COMMITTEE REPORTS

A. STANDING:

1. Operations and Infrastructure. This report was already covered.

B. AD-HOC:

1. GSP Preparation. Mr. Poole reported that the draft GSP should be released for public review in December or January. The next AC meeting is scheduled for November 29. BWD Core Team review of GSP Chapters 1 through 4 is tentatively set for tomorrow.

2. 2017-18 Audit. This report was already covered.

3. Rams Hill Operating Agreement. No report.

4. Risk. Director Tatusko reported that the Committee is waiting for a second cyber security proposal from JPIA. One has already been received.

V. STAFF REPORTS

A. Financial Reports: August 2018: Ms. Pitman highlighted the major disbursements for August. There are still 30 to 40 homeowners who have not yet requested their CSD refunds. The Santiago Estates refund issue has not yet been resolved due to difficulties in communicating with the park owner. President Hart suggested legal pressure.

A. Water and Wastewater Operations Report: Continued to next meeting.

B. Water Production/Use Records: Continued to next meeting.

C. General Manager:

1. Goals and Objectives Report. Mr. Poole invited the Board's attention to his written report and answered questions from Directors and the public. Director Tatusko noted that the District had received an unsolicited proposal for solar facilities at the well sites. He preferred solicited proposals and had created an RFP. Mr. Poole will bring it to the Board at its next meeting.

2. GSP Outreach Meeting – November 15th 2018. Mr. Poole announced LeSar's upcoming outreach meeting, noting that Spanish translation will be included. Directors Delahay and Ehrlich plan to attend.

VI. CLOSED SESSION

A. Conference with Legal Counsel – Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9 (three (3) potential cases):

The Board adjourned to closed session at 11:00 a.m., and the open session reconvened at 11:50 a.m. There was no reportable action.

VII. CLOSING PROCEDURE

A. Suggested Items for Next/Future Agenda: Items for the next Agenda will include discussion of the Community Choice program and other electrical options and the installation of the new Board members.

B. The next Meeting of the Board of Directors is scheduled for December 11, 2018 at the Borrego Water District Office. There being no further business, the Board adjourned at 11:50 a.m.

BORREGO WATER DISTRICT

BOARD OF DIRECTORS MEETING – DECEMBER 11, 2018

AGENDA BILL II.A1.a

December 5, 2018

TO: Board of Directors, Borrego Water District

FROM: Geoff Poole, General Manager

SUBJECT: BWD Pipelines - Phase One: Bid Results – G Poole & C Beltran, Dynamic Engineering

RECOMMENDED ACTION:

Receive Staff Report

ITEM EXPLANATION:

BWD issued \$5.3 M of Bond Financing in July of 2017 for \$2.3 M in replacement of various Pipeline Projects. Phase One has been identified as:

<u>Project No.</u>	<u>Title</u>	<u>Cost Est.</u>
1	Weather Vane: Frying Pan to Double O -	\$81,500
2	T Anchor: Frying Pan to Double O -	81,500
3	Double O from T Anchor	313,600
4	<u>Frying Pan N/S T Anchor</u>	<u>248,000</u>
	Phase One Total	644,600

Starting in July/August 2017, Consultants for Construction Management Services were interviewed and Dynamic Engineering selected. In Sept and Oct, Dynamic and BWD Staff prepared the Plans and Specifications for Phase One and in November, the project was bid.

Six Contractors received a set of plans and two contractors attended the pre-bid meeting on 11-28. Bids are expected from both. Why did four not attend the Pre Bid? The reasons received were either “too busy” or “did not want to bid due to the requirements”.

Due to a request from one of the Contractors at the Pre-Bid, the bid opening was delayed by 6 days and is now December 10th at 2 PM. The results of the bid will be shared at the 12-11 Board Meeting. Review of the bids is anticipated during the coming weeks with award of the Contract expected at the Jan 2019 Board Meeting assuming responsive bids are received. If not, staff has alternative plans under consideration.

Completion of Phase One construction is expected for April 2019. Design and surveying services are already underway for Phase Two projects. The final Phase Three projects will begin as soon as design/surveying is done on Phase II. Completion of all three pipeline project phases is scheduled by September 2019.

FISCAL IMPACT: TBD

ATTACHMENTS: Updated Schedule

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING – DECEMBER 11, 2018
AGENDA BILL II.A.1.b

December 5, 2018

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: Well Replacement #1 & #2 Bid Strategy & Documents – T. Driscoll, Dudek Engineering

RECOMMENDED ACTION:

Receive Report and Authorize Staff to Bid Well #1 & #2

ITEM EXPLANATION:

Of the \$5.3 M of bonds issued by BWD in July of 2017, the most significant component is replacement of two potable wells (\$1.5 M each = \$3 M total). Starting in July and September 2017, possible Construction Management Consultants were interviewed and Dudek Engineering was selected for Well #1. In October of 2017, Dudek was selected for Replacement Well #2. In November 2017, the Board authorized Replacement Well #1 at the existing site of ID 4-4. BWD owns the surrounding 20 acres of this site.

Over the past weeks Staff and Dudek have been discussing and evaluating various components of planning for Well #1 and #2. A summary is below:

WELL #1: Estimated Construction Period - February thru November 2019

Update: Replacement Well #1 is relatively easy since the new location is directly adjacent to the existing site of well ID 4-4 on property already owned by BWD. The Board has authorized staff to bid this project and it is ready to go.

WELL #2 Estimated Construction Period - Under Internal Review:

Location: Staff and Dudek have identified a Corridor of Interest that provides high probability of sufficient quantity and quality as well as proximity to existing BWD infrastructure. The location is not being disclosed publicly at this time.

Hydraulics: Dudek has been commissioned with determining the impact of adding a new well/supply at these locations on BWD's water system. This is accomplished by using BWD computer based hydraulic model. Once the model is running the impact on BWD operations can be determined including changes in pressure and flows in the water distribution and storage system.

Property Acquisition: Staff has identified specific parcels and once the results of the hydraulic model are known the acquisition process can begin.

BIDDING STRATEGY RECOMMENDATION

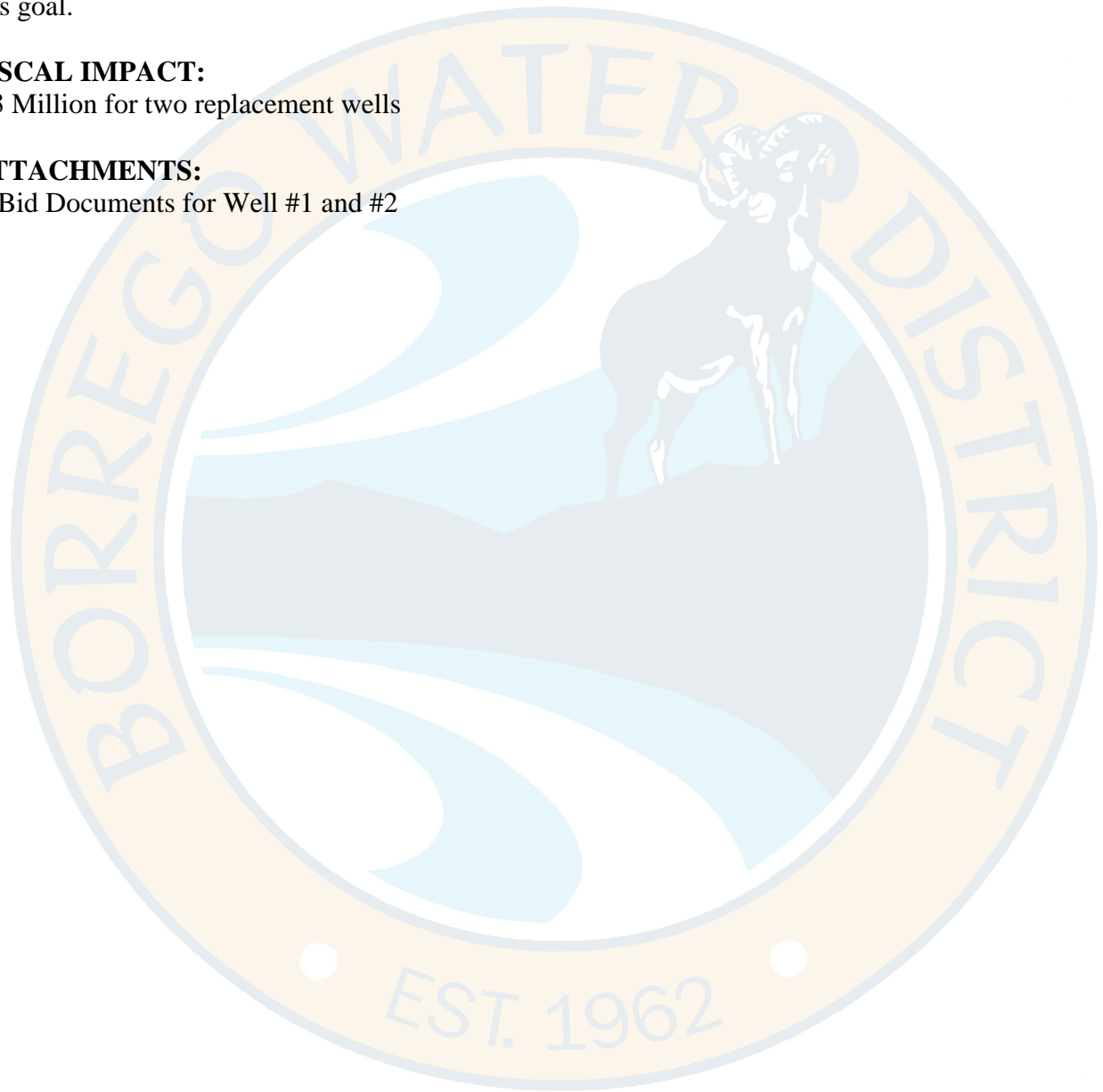
Bidding of Project: Staff, Dudek and Legal Counsel are evaluating the possibility of bidding both well #1 and #2 at the same time and will be submitting a new set of Bid Documents to the Board to reflect this goal.

FISCAL IMPACT:

\$ 3 Million for two replacement wells

ATTACHMENTS:

1. Bid Documents for Well #1 and #2



BORREGO WATER DISTRICT



CONTRACT DOCUMENTS AND SPECIFICATIONS FOR

DRILLING AND CONSTRUCTION OF NEW EXTRACTION

WELL AT WELL #ID4-4 LOCATION

(BWD Capital Improvements Projects)

December 2018

**Borrego Water District
806 Palm Canyon Drive
Borrego Springs, California 92004**

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00 11 16 – NOTICE INVITING BIDS

NOTICE IS HEREBY GIVEN that the Borrego Water District (“DISTRICT”) invites and will receive sealed Bids up to but not later than **2:00 p.m. on Tuesday, January 8, 2019** at 806 Palm Canyon Drive, Borrego Springs, California 92004, for the furnishing to DISTRICT of all labor, equipment, materials, tools, services, transportation, permits, utilities, and all other items necessary for the **Installation of a New Extraction Well at the Well ID4-4 Location** (the “Project”). At said time, Bids will be publicly opened and read aloud at the DISTRICT Office. Bids received after said time shall be returned unopened. Bids shall be valid for a period of 60 calendar days after the Bid opening date.

The work shall include the drilling, constructing, developing, pump testing, and disinfecting of one extraction well. The extraction well is to be drilled into the unconsolidated deposits of the Borrego Springs Groundwater Subbasin (Subbasin) to a depth of approximately 1,000 feet using direct or reverse circulation mud-rotary drilling.

Bids must be submitted on the DISTRICT’s Bid Forms. Bidders may obtain a copy of the Contract Documents from the DISTRICT at: 806 Palm Canyon Dr, Borrego Springs CA or Geoff@BorregoWD.org or 760-767-5806 for \$30 (Thirty Dollars)**]. A non-refundable charge \$50 (Fifty) will be required of any bidder who requests that the Contract Documents be mailed within California (costs for out-of-state mailings will be higher). To the extent required by section 20103.7 of the Public Contract Code, upon request from a contractor plan room service, the DISTRICT shall provide an electronic copy of the Contract Documents at no charge to the

Bids must be submitted on the DISTRICT’s Bid Forms. Bidders may obtain a copy of the Contract Documents from the Borrego Water District Website (BorregoWD.org) on the BULLETIN BOARD located on the Home Page. To the extent required by section 20103.7 of the Public Contract Code, upon request from a contractor plan room service, the DISTRICT shall provide an electronic copy of the Contract Documents at no charge to the contractor plan room.

It is the responsibility of each prospective bidder to download and print all Bid Documents for review and to verify the completeness of Bid Documents before submitting a bid. Any Addenda will be posted on BorregoWD.org. It is the responsibility of each prospective bidder to check BorregoWD.org on a daily basis through the close of bids for any applicable addenda or updates. The DISTRICT does not assume any liability or responsibility based on any defective or incomplete copying, excerpting, scanning, faxing, downloading or printing of the Bid Documents. Information on BorregoWD.org may change without notice to prospective bidders. The Contract Documents shall supersede any information posted or transmitted by BorregoWD.org

Each Bid shall be accompanied by cash, a certified or cashier’s check, or Bid Bond secured from a surety company satisfactory to the General Manager, the amount of which shall not be less than ten percent (10%) of the submitted Total Bid Price, made payable to Borrego Water District as bid security. The bid security shall be provided as a guarantee that within five (5) working days after the DISTRICT provides the successful bidder the Notice of Award, the successful Bidder will enter into a contract and provide the necessary bonds and certificates of insurance. The bid security will be declared forfeited if the successful Bidder fails to comply within said time. No interest will be paid on funds deposited with DISTRICT.

A Mandatory Pre-Bid Conference is scheduled for **December 20th at 1:30 PM** to review the Project's existing conditions at BWD Office (806 Palm Canyon Dr.). Representatives of the DISTRICT and consulting engineers, if any, will be present or participate via webinar. Questions asked by Bidders at the Pre-Bid Conference not specifically addressed within the Contract Documents shall be answered in writing, and shall be sent to all Bidders present at the Pre-Bid Conference. Bids will not be accepted from any bidder who did not attend the mandatory Pre-Bid Conference.

The successful Bidder will be required to furnish a Faithful Performance Bond and a Labor and Material Payment Bond each in an amount equal to one hundred percent (100%) of the Contract Price. Each bond shall be in the forms set forth herein, shall be secured from a surety company that meets all State of California bonding requirements, as defined in California Code of Civil Procedure Section 995.120, and that is a California admitted surety insurer.

Pursuant to Section 22300 of the Public Contract Code of the State of California, the successful Bidder may substitute certain securities for funds withheld by DISTRICT to ensure its performance under the contract.

Pursuant to Labor Code Section 1773, DISTRICT has obtained the prevailing rate of per diem wages and the prevailing wage rate for holiday and overtime work applicable in San Diego County from the Director of the Department of Industrial Relations for each craft, classification, or type of worker needed to execute this contract. A copy of these prevailing wage rates may be obtained via the internet at: www.dir.ca.gov/dlsr/

In addition, a copy of the prevailing rate of per diem wages is available at the DISTRICT's office and shall be made available to interested parties upon request. The successful bidder shall post a copy of the prevailing wage rates at each job site. It shall be mandatory upon the Bidder to whom the Contract is awarded, and upon any subcontractors, to comply with all Labor Code provisions, which include but are not limited to the payment of not less than the said specified prevailing wage rates to all workers employed by them in the execution of the Contract, employment of apprentices, hours of labor and debarment of contractors and subcontractors.

Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. No Bid will be accepted nor any contract entered into without proof of the contractor's and subcontractors' current registration with the Department of Industrial Relations to perform public work. If awarded a contract, the Bidder and its subcontractors, of any tier, shall maintain active registration with the Department of Industrial Relations for the duration of the Project. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

This Project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. In bidding on this Project, it shall be the Bidder's sole responsibility to evaluate and include the cost of complying with all labor compliance requirements under this contract and applicable law in its Bid.

Unless otherwise provided in the Instructions for Bidders, each Bidder shall be a licensed contractor pursuant to sections 7000 et seq. of the Business and Professions Code in the

following classification(s) throughout the time it submits its Bid and for the duration of the contract:

Class A (General Engineering).

Substitution requests shall be made within 35 calendar days after the award of the contract. Pursuant to Public Contract Code Section 3400(b), the DISTRICT may make findings designating that certain additional materials, methods or services by specific brand or trade name other than those listed in the Standard Specifications be used for the Project. Such findings, if any, as well as the materials, methods or services and their specific brand or trade names that must be used for the Project may be found in the Special Conditions.

DISTRICT shall award the contract for the Project to the lowest responsive, responsible Bidder as determined by the DISTRICT from the **BASE BID ALONE**. DISTRICT reserves the right to reject any or all bids or to waive any irregularities or informalities in any bids or in the bidding process.

For further information, contact Geoff Poole, General Manager at Geoff@BorregoWD.Org or 760-767-5806.

END OF NOTICE INVITING BIDS

00 21 13 – INSTRUCTIONS TO BIDDERS

ARTICLE 1. SECURING DOCUMENTS

Bids must be submitted to the DISTRICT on the Bid Forms which are a part of the Bid Package for the Project. Bid and Contract Documents may be obtained from the DISTRICT at the location(s) and at the time(s) indicated in the Notice Inviting Bids. Prospective bidders are encouraged to telephone in advance to determine the availability of Contract Documents. Any charge for the Contract Documents is stated in the Notice Inviting Bids.

The DISTRICT may also make the Contract Documents available for review at one or more plan rooms, as indicated in the Notice Inviting Bids. Please Note: Prospective Bidders who choose to review the Contract Documents at a plan room must contact the DISTRICT to obtain the required Contract Documents if they decide to submit a bid for the Project.

Addenda, if any, issued during the bid period will be sent only to those contractors who have obtained documents from the DISTRICT.” Failure to acknowledge addenda may make a bid nonresponsive and not eligible for award of the contract.

ARTICLE 2. EXAMINATION OF SITE AND CONTRACT DOCUMENTS

At its own expense and prior to submitting its Bid, each Bidder shall visit the site of the proposed work and fully acquaint itself with the conditions relating to the construction and labor required so that the Bidder may fully understand the work, including but not limited to difficulties and restrictions attending the execution of the work under the contract. Each Bidder shall carefully examine the Drawings, and shall read the Specifications, Contract, and all other documents referenced herein. Each Bidder shall also determine the local conditions which may in any way affect the performance of the work, including local tax structure, contractors’ licensing requirements, availability of required insurance, the prevailing wages and other relevant cost factors, shall familiarize itself with all federal, state and local laws, ordinances, rules, regulations and codes affecting the performance of the work, including the cost of permits and licenses required for the work, and shall make such surveys and investigations, including investigations of subsurface or latent physical conditions at the site or where work is to be performed as may be required. Bidders are responsible for consulting the standards referenced in the Contract. The failure or omission of any Bidder to receive or examine any contract documents, forms, instruments, addenda, or other documents, or to visit the site and acquaint itself with conditions there existing shall in no way relieve any Bidder from any obligation with respect to its Bid or to the contract and no relief for error or omission will be given except as required under State law. The submission of a Bid shall be taken as conclusive evidence of compliance with this Article.

ARTICLE 3. INTERPRETATION OF DRAWINGS AND DOCUMENTS

Prospective Bidders unclear as to the true meaning of any part of the Drawings, Specifications or other proposed contract documents may submit to the Engineer of the DISTRICT a written request for interpretation. The prospective Bidder submitting the request is responsible for prompt delivery. Interpretation of the Drawings, Specifications or other proposed contract documents will be made only by a written addendum duly issued and a copy of such addenda will be mailed or delivered to each prospective Bidder who has purchased a set of Drawings and Specifications. The DISTRICT will not be responsible for any other explanation or interpretations of the proposed documents. If a Prospective Bidders becomes aware of any errors or omissions in any part of the Contract Documents, it is the obligation of the Prospective

Bidder to promptly bring it to the attention of the DISTRICT.

ARTICLE 4. PRE-BID CONFERENCE

A MANDATORY Pre-Bid Conference is scheduled for **December 20, 2018** at 1:30 PM at 806 Palm Canyon Dr, Borrego Springs CA to review the Project's existing conditions. Representatives of the DISTRICT and consulting engineers, if any, will be present. Questions asked by Bidders at the Pre-Bid Conference not specifically addressed within the Contract Documents shall be answered in writing, and shall be sent to all Bidders present at the Pre-Bid Conference. Bids will not be accepted from any bidder who did not attend the mandatory Pre-Bid Conference.

ARTICLE 5. ADDENDA

The DISTRICT reserves the right to revise the Contract Documents prior to the Bid opening date. Revisions, if any, shall be made by written Addenda. All Addenda issued by the DISTRICT shall be included in the Bid and made part of the Contract Documents. Pursuant to Public Contract Code Section 4104.5, if the DISTRICT issues an Addendum which includes material changes to the Project less than 72 hours prior to the deadline for submission of Bids, the DISTRICT will extend the deadline for submission of Bids. The DISTRICT may determine, in its sole discretion, whether an Addendum warrants postponement of the Bid submission date. Each prospective Bidder shall provide DISTRICT a name, address, email address, and facsimile number to which Addenda may be sent, as well as a telephone number by which the DISTRICT can contact the Bidder. Copies of Addenda will be furnished by email, facsimile, first class mail, express mail or other proper means of delivery without charge to all parties who have obtained a copy of the Contract Documents and provided such current information. Please Note: Bidders are responsible for ensuring that they have received any and all Addenda. To this end, each Bidder should contact Geoff Poole to verify that it has received all Addenda issued, if any, prior to the Bid opening. The Bidder shall indicate the Addenda received prior to bidding in the space provided in the Bid Form. Failure to indicate all Addenda may be sufficient cause for rejecting the Bid.

ARTICLE 6. ALTERNATE BIDS

If alternate bid items are called for in the Contract Documents, the time required for completion of the alternate bid items has already been factored into the Contract duration and no additional Contract time will be awarded for any of the alternate bid items. The DISTRICT may elect to include one or more of the alternate bid items, or to otherwise remove certain work from the Project scope of work. Accordingly, each bidder must ensure that each bid item contains a proportionate share of profit, overhead, and other costs or expenses which will be incurred by the bidder.

ARTICLE 7. COMPLETION OF BID FORMS

Bids shall only be prepared using copies of the Bid Forms which are included in the Contract Documents. The use of substitute Bid Forms other than clear and correct photocopies of those provided by the DISTRICT will not be permitted. Bids shall be executed by an authorized signatory as described in these Instructions to Bidders. In addition, Bidders shall fill in all blank spaces (including inserting "N/A" where applicable), and initial all interlineations, alterations, or erasures to the Bid Forms. Bidders shall neither delete, modify, nor supplement the printed matter on the Bid Forms nor make substitutions thereon. USE OF BLACK OR BLUE INK,

INDELIBLE PENCIL, OR A TYPEWRITER IS REQUIRED. Deviations in the Bid Forms may result in the Bid being deemed non-responsive.

ARTICLE 8. MODIFICATIONS OF BIDS

Each Bidder shall submit its Bid in strict conformity with the requirements of the Contract Documents. Unauthorized additions, modifications, revisions, conditions, limitations, exclusions or provisions attached to a Bid may render it non-responsive and may cause its rejection. Bidders shall not delete, modify, or supplement the printed matter on the Bid Forms, or make substitutions thereon. Oral, telephonic and electronic modifications will not be considered.

ARTICLE 9. SUBCONTRACTORS

Bidder shall set forth the name, address of the place of business, and contractor license number of each subcontractor who will perform work, labor, furnish materials or render services to the bidder on said contract and each subcontractor licensed by the State of California who, under subcontract to bidder, specially fabricates and installs a portion of the Work described in the Drawings and Specifications in an amount in excess of one half of one percent (0.5%) of the total bid price, and shall indicate the portion of the work to be done by such subcontractor in accordance with Public Contract Code Section 4104.

ARTICLE 10. LICENSING REQUIREMENTS

Pursuant to Business and Professions Code Section 7028.15 and Public Contract Code Section 3300, all bidders must possess proper licenses for performance of this Contract. Subcontractors must possess the appropriate licenses for each specialty subcontracted. Pursuant to Business and Professions Code Section 7028.5, the DISTRICT shall consider any bid submitted by a contractor not currently licensed in accordance with state law and pursuant to the requirements found in the Contract Documents to be nonresponsive, and the DISTRICT shall reject the Bid. The DISTRICT shall have the right to request, and Bidders shall provide within ten (10) calendar days, evidence satisfactory to the DISTRICT of all valid license(s) currently held by that Bidder and each of the Bidder's subcontractors, before awarding the Contract.

Notwithstanding anything contained herein, if the Work involves federal funds, the Contractor shall be properly licensed by the time the Contract is awarded, pursuant to the provisions of Public Contract Code section 20103.5.

ARTICLE 11. BID GUARANTEE (BOND)

Each bid shall be accompanied by: (a) cash; (b) a certified or cashier's check made payable to Borrego Water District; or (c) a Bid Bond secured from a surety company satisfactory to the General Manager, the amount of which shall not be less than ten percent (10%) of the Total Bid Price, made payable to Borrego Water District as bid security. Personal sureties and unregistered surety companies are unacceptable. The surety insurer shall be California admitted surety insurer, as defined in Code of Civil Procedure Section 995.120. The bid security shall be provided as a guarantee that within ten (10) working days after the DISTRICT provides the successful bidder the Notice of Award, the successful bidder will enter into a contract and provide the necessary bonds and certificates of insurance. The bid security will be declared forfeited if the successful bidder fails to comply within said time, and DISTRICT may enter into a contract with the next lowest responsive responsible bidder, or may call for new

bids. No interest shall be paid on funds deposited with the DISTRICT. DISTRICT will return the security accompanying the bids of all unsuccessful bidders no later than 60 calendar days after award of the contract.

ARTICLE 12. IRAN CONTRACTING ACT OF 2010

In accordance with Public Contract Code Section 2200 *et seq.*, the DISTRICT requires that any person that submits a bid or proposal or otherwise proposes to enter into or renew a contract with the DISTRICT with respect to goods or services of one million dollars (\$1,000,000) or more, certify at the time the bid is submitted or the contract is renewed, that the person is not identified on a list created pursuant to subdivision (b) of Public Contract Code Section 2203 as a person engaging in investment activities in Iran described in subdivision (a) of Public Contract Code Section 2202.5, or as a person described in subdivision (b) of Public Contract Code Section 2202.5, as applicable.

The form of such Iran Contracting Certificate is included with the bid package and must be signed and dated under penalty of perjury.

ARTICLE 13. NONCOLLUSION DECLARATION

Bidders on all public works contracts are required to submit a declaration of noncollusion with their bid. This form is included with the bid package and must be signed and dated under penalty of perjury.

ARTICLE 14. PUBLIC WORKS CONTRACTOR REGISTRATION CERTIFICATION

Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. No bid will be accepted nor any contract entered into without proof of the contractor's and subcontractors' current registration with the Department of Industrial Relations to perform public work. If awarded a contract, the bidder and its subcontractors, of any tier, shall maintain active registration with the Department of Industrial Relations for the duration of the Project. To this end, Bidder shall sign and submit with its Bid the Public Works Contractor Registration Certification on the form provided, attesting to the facts contained therein. Failure to submit this form may render the bid non-responsive. In addition, each Bidder shall provide the registration number for each listed subcontractor in the space provided in the Designation of Subcontractors form.

ARTICLE 15. BIDDER INFORMATION AND EXPERIENCE FORM

Each Bidder shall complete the questionnaire provided herein and shall submit the questionnaire along with its Bid. Failure to provide all information requested within the questionnaire along with the Bid may cause the bid to be rejected as non-responsive. The DISTRICT reserves the right to reject any Bid if an investigation of the information submitted does not satisfy the Engineer that the Bidder is qualified to properly carry out the terms of the contract.

ARTICLE 16. WORKERS' COMPENSATION CERTIFICATION

In accordance with the provisions of Labor Code Section 3700, Contractor shall secure the payment of compensation to its employees. Contractor shall sign and file with the DISTRICT

the following certificate prior to performing the work under this Contract:

I am aware of the provisions of Section 3700 of the Labor Code, which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

The form of such Workers' Compensation Certificate is included as part of this document.

ARTICLE 17. SIGNING OF BIDS

All Bids submitted shall be executed by the Bidder or its authorized representative. Bidders may be asked to provide evidence in the form of an authenticated resolution of its Board of Directors or a Power of Attorney evidencing the capacity of the person signing the Bid to bind the Bidder to each Bid and to any Contract arising therefrom.

If a Bidder is a joint venture or partnership, it may be asked to submit an authenticated Power of Attorney executed by each joint venturer or partner appointing and designating one of the joint venturers or partners as a management sponsor to execute the Bid on behalf of Bidder. Only that joint venturer or partner shall execute the Bid. The Power of Attorney shall also: (1) authorize that particular joint venturer or partner to act for and bind Bidder in all matters relating to the Bid; and (2) provide that each venturer or partner shall be jointly and severally liable for any and all of the duties and obligations of Bidder assumed under the Bid and under any Contract arising therefrom. The Bid shall be executed by the designated joint venturer or partner on behalf of the joint venture or partnership in its legal name.

ARTICLE 18. SUBMISSION OF SEALED BIDS

Once the Bid and supporting documents have been completed and signed as set forth herein, they shall be placed, along with the Bid Guarantee and other required materials, in a sealed envelope, addressed and delivered or mailed, postage prepaid, to the Engineering Department of the DISTRICT before the time and day set for the receipt of bids. The envelope shall bear the title of the work and the name of the bidder. No oral or telephonic bids will be considered. No forms transmitted via the internet, e-mail, facsimile, or any other electronic means will be considered unless specifically authorized by the DISTRICT as provided herein. Bids received after the time and day set for the receipt of bids shall be returned to the bidder unopened. The envelope shall also contain the following in the lower left-hand corner thereof:

Bid of _____ (Bidder's Name)
for the Installation of New Extraction Well at the Well ID4-4 Location

Only where expressly permitted in the Notice Inviting Bids may bidders submit their bids via electronic transmission pursuant to Public Contract Code sections 1600 and 1601. Any acceptable method(s) of electronic transmission shall be stated in the Notice Inviting Bids. DISTRICT may reject any bid not strictly complying with DISTRICT's designated methods for delivery.

ARTICLE 19. OPENING OF BIDS

At the time and place set for the opening and reading of bids, or any time thereafter, each and every bid received prior to the time and day set for the receipt of bids will be publicly opened

and read. The DISTRICT will leave unopened any Bid received after the specified date and time, and any such unopened Bid will be returned to the bidder. It is the bidder's sole responsibility to ensure that its Bid is received as specified. Bids may be submitted earlier than the date(s) and time(s) indicated.

The public reading of each bid will include the following information:

- A. The name and business location of the bidder.
- B. The nature and amount of the bid security furnished by bidder.
- C. The bid amount.

Bidders or their representatives and other interested persons may be present at the opening of the bids. The DISTRICT may, in its sole discretion, elect to postpone the opening of the submitted Bids. The DISTRICT reserves the right to reject any or all Bids and to waive any informality or irregularity in any Bid.

ARTICLE 20. WITHDRAWAL OF BID

Any bid may be withdrawn either personally or by written request, incurring no penalty, at any time prior to the scheduled closing time for receipt of bids. Requests to withdraw bids shall be worded so as not to reveal the amount of the original bid. Withdrawn bids may be resubmitted until the time and day set for the receipt of bids, provided that resubmitted bids are in conformance with the instructions herein.

Bids may be withdrawn after bid opening only by providing written notice to DISTRICT within five (5) working days of the bid opening and in compliance with Public Contract Code Section 5100 *et seq.*, or as otherwise may be allowed with the consent of the DISTRICT.

ARTICLE 21. BIDDERS INTERESTED IN MORE THAN ONE BID

No Bidder shall be allowed to make, file or be interested in more than one bid for the same work unless alternate bids are specifically called for. A person, firm or corporation that has submitted a sub-proposal to a Bidder, or that has quoted prices of materials to a Bidder, is not thereby disqualified from submitting a sub-proposal or quoting prices to other bidders. No person, firm, corporation, or other entity may submit a sub-proposal to a Bidder, or quote prices of materials to a Bidder, when also submitting a prime Bid on the same Project.

ARTICLE 22. SUBSTITUTION OF SECURITY

The Contract Documents call for monthly progress payments based upon the percentage of the Work completed. The DISTRICT will retain a percentage of each progress payment as provided by the Contract Documents. At the request and expense of the successful Bidder, the DISTRICT will substitute securities for the amount so retained in accordance with Public Contract Code Section 22300.

ARTICLE 23. PREVAILING WAGES

The DISTRICT has obtained from the Director of the Department of Industrial Relations the general prevailing rate of per diem wages in the locality in which this work is to be performed for

each craft or type of worker needed to execute the Contract. These rates are available at the DISTRICT or may be obtained online at <http://www.dir.ca.gov>. Bidders are advised that a copy of these rates must be posted by the successful Bidder at the job site(s).

ARTICLE 24. DEBARMENT OF CONTRACTORS AND SUBCONTRACTORS

In accordance with the provisions of the Labor Code, contractors or subcontractors may not perform work on a public works project with a subcontractor who is ineligible to perform work on a public project pursuant to Labor Code Sections 1777.1 or 1777.7. Any contract on a public works project entered into between a contractor and a debarred subcontractor is void as a matter of law. A debarred subcontractor may not receive any public money for performing work as a subcontractor on a public works contract. Any public money that is paid to a debarred subcontractor by the Contractor for the Project shall be returned to the DISTRICT. The Contractor shall be responsible for the payment of wages to workers of a debarred subcontractor who has been allowed to work on the Project.

ARTICLE 25. INSURANCE REQUIREMENTS

Prior to commencing work, the successful bidder shall purchase and maintain insurance as set forth in the General Conditions.

ARTICLE 26. PERFORMANCE BOND AND PAYMENT BOND REQUIREMENTS

The successful bidder will be required to furnish a Labor and Material Payment Bond and a Faithful Performance Bond each in an amount equal to one hundred percent (100%) of the contract price. Each bond shall be secured from a surety company that meets all State of California bonding requirements, as defined in California Code of Civil Procedure Section 995.120 and is admitted by the State of California. Each bond shall be accompanied, upon the request of DISTRICT, with all documents required by California Code of Civil Procedure Section 995.660 to the extent required by law. All bonding and insurance requirements shall be completed and submitted to DISTRICT within ten (10) working days from the date the DISTRICT provides the successful bidder with the Notice of Award.

ARTICLE 27. SALES AND OTHER APPLICABLE TAXES, PERMITS, LICENSES AND FEES

Contractor and its subcontractors performing work under this Contract will be required to pay California sales tax and other applicable taxes, and to pay for permits, licenses and fees required by the agencies with authority in the jurisdiction in which the Work will be located, unless otherwise expressly provided by the Contract Documents.

ARTICLE 28. PERMIT AND INSPECTION FEE ALLOWANCE

Notwithstanding anything contained herein, the Bid Form contains an allowance for the Contractor's cost of acquiring traffic control permits and for construction inspection fees that may be charged to the Contractor by the Agency of Jurisdiction. The allowance is included within the Bid Form to eliminate the need by bidders to research or estimate the costs of traffic control permits and construction inspection fees prior to submitting a bid. The allowance is specifically intended to account for the costs of traffic control permits and construction inspection fees charged by the local Agency of Jurisdiction only. No other costs payable by Contractor to the Agency of Jurisdiction are included within the allowance.

ARTICLE 29. FILING OF BID PROTESTS

Bidders may file a “protest” of a Bid with the DISTRICT’s General Manager. In order for a Bidder’s protest to be considered valid, the protest must:

- A. Be filed in writing within five (5) calendar days after the bid opening date;
- B. Clearly identify the specific irregularity or accusation;
- C. Clearly identify the specific DISTRICT staff determination or recommendation being protested;
- D. Specify in detail the grounds for protest and the facts supporting the protest; and
- E. Include all relevant, supporting documentation with the protest at time of filing.

If the protest does not comply with each of these requirements, the DISTRICT may reject the protest without further review.

If the protest is timely and complies with the above requirements, the DISTRICT’s General Manager, or other designated DISTRICT staff member, shall review the protest, any response from the challenged Bidder(s), and all other relevant information. The General Manager will provide a written decision to the protestor.

The procedure and time limits set forth in this Article are mandatory and are the sole and exclusive remedy in the event of a Bid protest. Failure to comply with these procedures shall constitute a failure to exhaust administrative remedies and a waiver of any right to further pursue the Bid protest, including filing a Government Code Claim or legal proceedings.

ARTICLE 30. BASIS OF AWARD; BALANCED BID

The DISTRICT shall award the Contract to the lowest responsible Bidder submitting a responsive Bid. The lowest Bid will be determined on the basis of the Total Bid Price. **AWARD WILL BE ON THE BASIS OF THE TOTAL BASE BID ALONE, NOT INCLUDING ALTERNATIVE BID ITEMS.**

The DISTRICT may reject any Bid which, in its opinion when compared to other Bids received or to the DISTRICT’s internal estimates, does not accurately reflect the cost to perform the Work. The DISTRICT may reject as non-responsive any Bid which unevenly weights or allocates costs, including but not limited to overhead and profit to one or more particular bid items.

ARTICLE 31. AWARD PROCESS

Once all Bids are opened and reviewed to determine the lowest responsive and responsible Bidder, the DISTRICT may award the contract. The apparent successful Bidder should begin to prepare the following documents: (1) the Performance Bond; (2) the Payment Bond; and (3) the required insurance certificates and endorsements. Once the DISTRICT notifies the Bidder of the award, the Bidder will have ten (10) working days from the date of this notification to execute the Contract and supply the DISTRICT with all of the required documents and certifications. Once the DISTRICT receives all of the properly drafted and executed documents and

certifications from the Bidder, the DISTRICT shall issue a Notice to Proceed to that Bidder. The Contractor shall begin work within ten (10) days after receiving the Notice to Proceed.

ARTICLE 32. EXECUTION OF CONTRACT

As required herein the Bidder to whom an award is made shall execute the Contract in the amount determined by the Contract Documents. The DISTRICT may require appropriate evidence that the persons executing the Contract are duly empowered to do so. The Contract and bond forms to be executed by the successful Bidder are included within these Specifications and shall not be detached.

ARTICLE 33. QUESTIONS

Questions regarding this Notice Inviting Bids may be directed to the General Manager at 760-767-5806 or email at Geoff@BorregoWD.Org. No other members of the DISTRICT's staff or Board of Directors should be contacted about this procurement during the bidding process. Any and all inquiries and comments regarding this Bid must be communicated in writing, unless otherwise instructed by the DISTRICT. The DISTRICT may, in its sole discretion, disqualify any Bidder who engages in any prohibited communications.

00 41 43 – BID FORMS

1.1 Bid.

Bids will be received at the Office of the Borrego Water District, located at 806 Palm Canyon Drive, Borrego Springs, California 92004 until **2:00 p.m. on Tuesday, January 8, 2019.**

NAME OF BIDDER: _____

To the General Manager
of the Borrego Water District
806 Palm Canyon Drive
Borrego Springs, California 92004

The undersigned hereby declare that we have carefully examined the location of the proposed Work, and have read and examined the Contract Documents, including all plans, specifications, and all addenda, if any for the following Project:

New Extraction Well at the Well ID4-4 Location

We hereby propose to furnish all labor, materials, equipment, tools, transportation, and services, and to discharge all duties and obligations necessary and required to perform and complete the Project, as described and in strict conformity with the Drawings, and these Specifications for TOTAL BID PRICE indicated herein.

The undersigned acknowledges receipt, understanding, and full consideration of the following addenda to the Contract Documents:

Addenda No. _____

1. Attached is the required Bid Guarantee in the amount of not less than 10% of the Total Bid Price.
2. Attached is the completed Designation of Subcontractors form.
3. Attached is the fully executed Noncollusion Declaration form.
4. Attached is the completed Iran Contracting Act Certification form.
5. Attached is the completed Public Works Contractor Registration Certification form.
6. Attached is the completed Contractor's Certificate Regarding Workers' Compensation form.
7. Attached is the completed Bidder Information and Experience form.

A. BID SCHEDULE FOR EXTRACTION WELL AT WELL ID4-4 LOCATION

ITEM	QUANTITY	UNIT	ITEM	UNIT COST	AMOUNT
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A. BID SCHEDULE FOR EXTRACTION WELL AT WELL ID4-4 LOCATION

ITEM	QUANTITY	UNIT	ITEM	UNIT COST	AMOUNT
1	1	LS	Mobilization, demobilization, and site preparation including water pollution control compliance and site BMPs.	\$	\$
2	50	LF	Drill a 40-inch diameter conductor borehole, set 30-inch conductor casing, and sanitary seal to minimum 50 feet.	\$	\$
3	1,000	LF	Drill a 17.5-inch diameter test borehole.	\$	\$
4	1	LS	Run geophysical logs, including guard log.	\$	\$
5	3	LS	Perform zone testing (optional).	\$	\$
6	1,000	LF	Ream borehole to 26-inch diameter.	\$	\$
7	1	LS	Perform caliper survey.	\$	\$
8	500	LF	Furnish and install 16-inch diameter mild steel blank well casing and 3-inch gravel feed tube.	\$	\$
9	1	LS	Furnish and install a dielectric coupler (mechanical connector) between the mild steel and stainless steel casing.	\$	\$
10	500	LF	Furnish and install 16-inch diameter 304L stainless steel louver well screen with 0.060 slot and end cap at bottom of screen for sump.	\$	\$
11	700	LF	Furnish and install filter pack.	\$	\$
12	300	LF	Furnish and install cement annular seal.	\$	\$
13	24	HR	Develop well with air-lift swab and drill rig.	\$	\$
14	24	HR	Develop well with line swab and pump rig.	\$	\$
15	12	HR	Develop well with test pump.	\$	\$

A. BID SCHEDULE FOR EXTRACTION WELL AT WELL ID4-4 LOCATION

ITEM	QUANTITY	UNIT	ITEM	UNIT COST	AMOUNT
16	60	HR	Pumping Test (12-hour step test and 48-hour constant rate test).	\$	\$
17	1	LS	Video survey, spinner survey and deviation test.	\$	\$
18	1	LS	Well Disinfection.	\$	\$
19	1	HR	Standby time rate.	\$	\$

The costs for any Work shown or required in the Contract Documents, but not specifically identified as a line item are to be included in the related line items and no additional compensation shall be due to Contractor for the performance of the Work.

In case of discrepancy between the Unit Cost and the Item Cost set forth for a unit basis item, the unit cost shall prevail and shall be utilized as the basis for determining the lowest responsive, responsible Bidder. However, if the amount set forth as a unit cost is ambiguous, unintelligible or uncertain for any cause, or is omitted, or is the same amount as the entry in the "Amount" column, then the amount set forth in the "Amount" column for the item shall prevail

and shall be divided by the estimated quantity for the item and the price thus obtained shall be the Unit Cost.

For purposes of evaluating Bids, the DISTRICT will correct any apparent errors in the extension of unit prices and any apparent errors in the addition of lump sum and extended prices.

The estimated quantities for Unit Price items are for purposes of comparing Bids only and the DISTRICT makes no representation that the actual quantities of work performed will not vary from the estimates. Final payment shall be determined by the Engineer from measured quantities of work performed based upon the Unit Price.

Description of Payment Items

Payment for work satisfactorily completed as specified in these Contract Documents shall be made according to the Proposal as agreed upon by the DISTRICT and Contractor and as stated in the Agreement. The contract price for each item shall constitute full compensation for furnishing all labor, equipment, and supplies and for performing all operations for completion of the Work so specified in the Contract Documents or as directed by the District Representative. The following payment descriptions are applicable to and correlate with line items on the Cost Proposal form .

Cost Proposal Items – New Extraction Well

1. Mobilization, demobilization, and site preparation, including water pollution control compliance and site BMPs. Payment for this item shall include all materials, equipment, labor and transportation, necessary to perform the move-in, set-up for well drilling and construction of the well, tear-down and move-out of all well drilling and construction equipment, and installation and maintenance of water pollution control BMPs. Payment for this item shall also include all miscellaneous operations not included elsewhere for payment, such as, but not limited to, well disinfection, capping, and site clean-up. Payment shall be made at the lump sum price as stated in Item 1 of Cost Proposal form. No hourly rate shall be applicable during the performance of these operations.
2. Drill 40-inch diameter conductor borehole, set 30-inch conductor casing, set 50-foot sanitary seal. Payment for this item shall include the cost of all labor, equipment, materials, and all other costs incurred in drilling 30-inch diameter borehole, installing a 30-inch diameter steel conductor casing and 50-foot sanitary seal consisting of cement. Measurement for payment, estimated to the nearest foot by the District Representative, shall be made for the vertical distance to the bottom of the conductor casing. Payment shall be at the unit price per linear foot as stated under Item 2 of Cost Proposal form.
3. Drill 17.5-inch diameter test borehole. Payment for this item shall include the cost of all labor, equipment, materials, and all other costs incurred in drilling a 17.5-inch maximum diameter pilot hole to a depth of 1,000 feet and securing all required drill cuttings and grain size analysis samples. Measurement for payment, estimated to the nearest foot by the District Representative, shall be made for the vertical distance from the bottom of the conductor casing to the total depth of the pilot hole. Payment shall be at the unit price per linear foot as stated under Item 3 of Cost Proposal form.
4. Run geophysical logs including guard log. Payment for this item shall include the cost of an electric log (i.e., SP, 16- and 64-inch resistivity, guard log, deviation

survey, gamma), borehole conditioning, copies of the log, and time required for logging. A lump sum cost is stated in Item 4 of the Cost Proposal Form.

5. Perform zone testing (optional). Payment for this item shall include the cost of all labor, services, equipment, materials and all other costs incurred in zone testing of specific depth within the aquifer. Measurement of payment shall be made based on the number of zones tested and the unit price bid per zone as stated in Item 5 of the Cost Proposal Form.
6. Ream borehole to 26-inch diameter. Payment for this item shall include the cost of all labor, equipment, materials, and all other costs incurred in reaming borehole to 26-inch diameter. Measurement for payment, estimated to the nearest foot by the District Representative, shall be made for the vertical distance from the bottom of the conductor casing to the total depth of the reamed borehole. Payment shall be at the unit price per linear foot as stated under Item 6 of Cost Proposal form.
7. Perform caliper survey. Payment for the caliper survey will be based on the lump sum price of bid item 7. Payment shall include full compensation for fluid circulation, removal of the drill string, operation of the drilling rig and other equipment, furnishing and operating caliper survey equipment as specified, and providing whatever assistance may be required to complete the caliper survey.
8. Furnish and install blank well casing, and gravel feed tube. Payment for this item shall include the cost of all labor, services, equipment, materials and all other costs incurred in furnishing and installing the 16-inch diameter mild steel blank well casing, 3-inch diameter gravel feed tube, fittings and accessories. Measurement of payment shall be made for the actual number of feet of screen installed, measured to the nearest foot by the District Representative. Payment shall be made at the unit price per linear foot of screen installed as stated in Item 8 of the Cost Proposal Form. No hourly rate shall be applicable during the performance of these operations.
9. Furnish and install dielectric coupler (mechanical connector). Payment for this item shall include the cost of all labor, and materials and all other costs incurred in furnishing and installing a dielectric coupler between the mild steel and stainless steel casing. Measurement of payment shall be made for the actual number of couplers installed. Payment shall be made as stated in Item 9 of the Cost Proposal Form.
10. Furnish and install well screen. Payment for this item shall include the cost of all labor, services, equipment, materials and all other costs incurred in furnishing and installing the 16-inch diameter 304L stainless steel screened well casing with 0.060 slots, end cap at bottom, fittings and accessories. Measurement of payment shall be made for the actual number of feet of screen installed, measured to the nearest foot by the District Representative. Payment shall be made at the unit price per linear foot of screen installed as stated in Item 10 of the Cost Proposal Form. No hourly rate shall be applicable during the performance of these operations.
11. Furnish and install filter pack. Payment for this item shall include the cost of all labor, services, equipment, materials and all other costs incurred in furnishing and installing the filter (gravel) pack. Payment for the gravel pack will be based on measurement of the vertical feet of gravel installed in the annulus from the bottom of the borehole up and includes payment for any consolidation of the gravel pack which occurs during well development. Payment shall be made at the unit price per

linear foot of screen installed as stated in Item 11 of the Cost Proposal Form. No hourly rate shall be applicable during the performance of these operations.

12. Furnish and install cement annular seal. Payment for this item shall include the cost of all labor, services, equipment, materials and all other costs incurred in furnishing and installing the cement annular well seal. Payment for the annular well seal will be based on measurement of the vertical feet of sealing material installed in the annulus. Payment shall be made at the unit price per linear foot as stated in Item 12 of the Cost Proposal Form. No hourly rate shall be applicable during the performance of these operations..
13. Develop well with air-lift swab and drill rig. Payment for this item shall include only the time that dual swab and air-lift development of the well is actually in operation, as directed by the District Representative. Payment for actual operational time, estimated to the nearest one-half hour, shall be made at the unit price per hour as stated in Item 13 of the Cost Proposal Form. No payment shall be made under this item for servicing of equipment; for delays due to breakdown or inadequacy of plant, equipment, personnel or materials; for time spent in setting up, installing or removing equipment; for work not in accordance with specifications or directions of the District Representative; nor for failure to conduct the work in a workmanlike manner by which the desired result could ordinarily be expected. Payment for removal of accumulated mud, sand, or gravel to the full depth of the well using a bailer or other acceptable method, shall be at the unit price per hour stated for swab development.
14. Develop well with line swab and pump rig. Payment for this item shall include only the time when swab development of the well is actually in operation, as directed by the District Representative. Payment for actual operational time, estimated to the nearest one-half hour, shall be made at the unit price per hour as stated in Item 14 of the Cost Proposal Form. No payment shall be made under this item for servicing of equipment; for delays due to the breakdown or inadequacy of plant, equipment, personnel, or materials; for time spent in setting up, installing or removing equipment; for work not in accordance with the specifications or directions of the District Representative; nor for failure to conduct the work in a workmanlike manner by which the desired result could ordinarily be expected. Payment for removal of accumulated mud, sand, or gravel to the full depth of the well using a bailer or other acceptable method, shall be at the unit price per hour stated for swab development.
15. Develop well with test pump. Payment for this item shall include the time when the pumping equipment is actually in operation for development, as directed by the District Representative. Payment for actual operational time, estimated to the nearest one-half hour, shall be made at the unit price per hour as stated in Item 15 of the Cost Proposal Form. No payment shall be made under this item for servicing of equipment; for delays due to breakdown or inadequacy of plant, equipment, personnel or materials; for time spent in setting up, installing or removing equipment; for work not in accordance with specifications or directions of the District Representative; nor for failure to conduct the work in a workmanlike manner by which the desired result could ordinarily be expected
16. Test Pumping. Payment for this item shall include the time when the pumping equipment is actually in operation, as directed by the District Representative, such as during testing and development periods. Payment for actual operational time,

estimated to the nearest one-half hour, shall be made at the unit price per hour as stated in Item 16 of the Cost Proposal Form. No payment shall be made under this item for servicing of equipment; for delays due to breakdown or inadequacy of plant, equipment, personnel or materials; for time spent in setting up, installing or removing equipment; for work not in accordance with specifications or directions of the District Representative; nor for failure to conduct the work in a workmanlike manner by which the desired result could ordinarily be expected.

17. Video survey, spinner survey, and deviation tests. Payment for this item shall include the cost of all equipment, labor, materials and all other costs incurred in the lump sum price in Item 17 of the Cost Proposal Form.
18. Well Disinfection. Payment for this item shall include the cost of all equipment, labor, materials and all other costs incurred in the lump sum price in Item 18 of the Cost Proposal Form.
19. Standby time rate. Payment for this item (if accrued) shall include the cost as stated in Item 19 of the Cost Proposal Form.

No hourly rates shall be applicable without prior approval of the District Representative, nor shall they apply during the performance of any operation covered by either a lump sum or unit price. The performance of any operations noted in this section or similar operations conducted by the Contractor for his convenience in drilling, construction, development and testing of the wells shall not be included in hourly rate payment.

No separate payment will be made for work, equipment or materials necessary for keeping records and determining plumbness and alignment. The cost of all such work, equipment and materials shall be included in the proposal costs for applicable proposal items.

The hourly rates for the operation of swabbing, cleaning, and pumping equipment shall not become effective until the Contractor has installed all equipment and is ready to start operations. If during the development period, move-in and move-out, and the installation and removal of the equipment, the Contractor chooses not to work for a given period, he shall not be paid an hourly rate during the shutdown periods.

The Contractor shall be expected to anticipate material and equipment requirements to complete operations. Any delays in operation resulting from the lack of proper equipment and/or materials at the drill sites shall be at the Contractor's expense.

Non-Payment for Lost and Rejected Holes

The District shall not pay for lost or rejected holes, including but not limited to, holes which the Contractor is forced to abandon because of defective workmanship or faulty equipment, failure to properly protect the drill hole and drilling work from the natural elements, cave-in resulting from formational conditions and inability to drill the well to the depth specified in the Contract Documents or to such lesser depth as ordered by the District Representative. Any rejected hole shall be replaced by another adjacent hole at a location determined by the District Representative. Payment for labor and materials involved in the drilling and construction of the replacement hole(s) will be made on the same basis as the rejected hole(s) and as specified under these Specifications. All lost holes shall be backfilled in accordance with applicable law. No payment will be made for backfilled lost holes.

The District shall not pay for any work or materials involved in the drilling and/or construction of holes that fail after taking corrective measures to meet the alignment requirements as specified

herein and as determined by the District Representative. Furthermore, the DISTRICT shall recover from the Contractor all costs for work and material incurred by the DISTRICT on lost or rejected holes resulting from the Contractor's negligence.

B. TOTAL BID PRICE:

TOTAL BID PRICE BASED ON BID SCHEDULE TOTAL OF UNIT PRICES FOR: New Extraction Well at Well ID4-4 Location	
\$ _____	Total Bid Price in Numbers
\$ _____	Total Bid Price in Written Form
In case of discrepancy between the written price and the numerical price, the written price shall prevail.	

--

The undersigned agrees that this Bid Form constitutes a firm offer to the DISTRICT which cannot be withdrawn for the number of calendar days indicated in the Notice Inviting Bids from and after the Bid opening, or until a Contract for the Work is fully executed by the DISTRICT and a third party, whichever is earlier.

The DISTRICT can choose to include any, all, or none of the Alternate Bid items in the Work, in the DISTRICT's sole discretion.. If the DISTRICT selects any of the Alternate Bid items, the corresponding Alternate Bid prices shall be added to Base Bid Price for the Work. The DISTRICT can award/select Alternate Bid items at any time(s). All Alternate Bid items correspond to the second extraction well, at a location to be determined. The Description of Payment, including descriptions of the Cost Proposal Items and Non-Payment for Lost or Rejected Holes listed above for Well ID-4-4 apply to the Alternate Bid items.

ALTERNATE BID ITEMS FOR SECOND EXTRACTION WELL AT LOCATION TO BE DETERMINED

ITEM	QUANTITY	UNIT	ITEM	UNIT COST	AMOUNT
A-1	1	LS	Mobilization, demobilization, and site preparation including water pollution control compliance and site BMPs (Assumes mobilization from ID4-4 Well Location).	\$	\$
A-2	50	LF	Drill a 40-inch diameter conductor borehole, set 30-inch conductor casing, and sanitary seal to minimum 50 feet.	\$	\$
A-3	1,000	LF	Drill a 17.5-inch diameter test borehole.	\$	\$
A-4	1	LS	Run geophysical logs, including guard log.	\$	\$
A-5	3	LS	Perform zone testing (optional).	\$	\$
A-6	1,000	LF	Ream borehole to 26-inch diameter.	\$	\$
A-7	1	LS	Perform caliper survey.	\$	\$
A-8	500	LF	Furnish and install 16-inch diameter mild steel blank well casing and 3-inch gravel feed tube.	\$	\$
A-9	1	LS	Furnish and install a dielectric coupler (mechanical connector) between the mild steel and stainless steel casing.	\$	\$
A-10	500	LF	Furnish and install 16-inch diameter 304L stainless steel louver well screen with 0.060 slot and end cap at bottom of screen for sump.	\$	\$
A-11	700	LF	Furnish and install filter pack.	\$	\$

ALTERNATE BID ITEMS FOR SECOND EXTRACTION WELL AT LOCATION TO BE DETERMINED

ITEM	QUANTITY	UNIT	ITEM	UNIT COST	AMOUNT
A-12	300	LF	Furnish and install cement annular seal.	\$	\$
A-13	24	HR	Develop well with air-lift swab and drill rig.	\$	\$
A-14	24	HR	Develop well with line swab and pump rig.	\$	\$
A-15	12	HR	Develop well with test pump.	\$	\$
A-16	60	HR	Pumping Test (12-hour step test and 48-hour constant rate test).	\$	\$
A-17	1	LS	Video survey, spinner survey and deviation test.	\$	\$
A-18	1	LS	Well Disinfection.	\$	\$
A-19	1	HR	Standby time rate.	\$	\$
A-20	1	LS	Full Mobilization, demobilization, and site preparation including water pollution control compliance and site BMPs, if necessary	\$	\$

In case of discrepancy between the Unit Cost and the Amount set forth for a unit basis item, the unit cost shall prevail. However, if the amount set forth as a unit cost is ambiguous, unintelligible or uncertain for any cause, or is omitted, or is the same amount as the entry in the "Amount" column, then the amount set forth in the "Amount" column for the item shall prevail and shall be divided by the estimated quantity for the item and the price thus obtained shall be the Unit Cost.

The successful bidder hereby agrees to sign the contract and furnish the necessary bonds and certificates of insurance within ten (10) working days after the DISTRICT provides the successful bidder with the Notice of Award.

Upon receipt of the signed contract and other required documents, the contract will be executed by the DISTRICT, after which the DISTRICT will prepare a letter giving Contractor Notice to Proceed. The official starting date shall be the date of the Notice to Proceed, unless otherwise specified. The undersigned agrees to begin the Work within ten (10) working days of the date of the Notice to Proceed, unless otherwise specified.

The undersigned has examined the location of the proposed work and is familiar with the Drawings and Specifications and the local conditions at the place where work is to be done.

If awarded the contract, the undersigned agrees that there shall be paid by the undersigned and by all subcontractors to all laborers, workers and mechanics employed in the execution of such contract no less than the prevailing wage rate within San Diego County for each craft, classification, or type of worker needed to complete the Work contemplated by this contract as established by the Director of the Department of Industrial Relations. A copy of the prevailing rate of per diem wages are on file at the DISTRICT's Administration Office and shall be made available to interested parties upon request.

Enclosed find cash, bidder's bond, or cashier's or certified check No. _____ from the _____ Bank in the amount of _____, which is not less than ten percent (10%) of this bid, payable to Borrego Water District as bid security and which is given as a guarantee that the undersigned will enter into a contract and provide the necessary bonds and certificates of insurance if awarded the Work.

The bidder furthermore agrees that in case of bidder's default in executing said contract and furnishing required bonds and certificates of insurance, the cash, bidder's bond, or cashier's or certified check accompanying this proposal and the money payable thereon shall become and shall remain the property of the Borrego Water District.

Bidder is an individual _____, or corporation _____, or partnership _____, organized under the laws of the State of _____.

Bidder confirms license(s) required by California State Contractor's License Law for the performance of the subject project are in full effect and proper order. The following are the Bidder's applicable license number(s), with their expiration date(s) and class of license(s):

If the Bidder is a joint venture, each member of the joint venture must include the required licensing information.

Sureties that will furnish the Faithful Performance Bond and the Labor and Material Payment Bond, in the form specified herein, in an amount equal to one hundred percent (100%) of the contract price within ten (10) working days from the date the DISTRICT provides the successful bidder the Notice of Award. Sureties must meet all of the State of California bonding requirements, as defined in California Code of Civil Procedure Section 995.120 and must be authorized by the State of California.

The insurance company or companies to provide the insurance required in the contract documents must have a Financial Strength Rating of not less than "A-" and a Financial Size Category of not less than "Class VII" according to the latest Best Key Rating Guide. At the sole discretion of the DISTRICT, the DISTRICT may waive the Financial Strength Rating and the Financial Size Category classifications for Workers' Compensation insurance.

(signatures continued on next page)

I hereby certify under penalty of perjury under the laws of the State of California that all of the information submitted in connection with this Bid and all of the representations made herein are true and correct.

Executed at _____, on this ____ day of _____, _____.

(Bidders Name – Print or Type)

(Name and Title)

(Corporate Seal)

(Signature)

Names of individual members of firm or names and titles of all officers of corporation and their addresses are listed below:

Name _____ Title _____

Complete Address _____

Phone _____ FAX _____

Name _____ Title _____

Complete Address _____

Phone _____ FAX _____

Name _____ Title _____

Complete Address _____

Phone _____ FAX _____

Name _____ Title _____

Complete Address _____

Phone _____ FAX _____

1.2 Bid Bond

[Note: Not required when other form of Bidder's Security, e.g. cash, certified check or cashier's check, accompanies bid.]

The makers of this bond are, _____, as Principal, and _____, as Surety and are held and firmly bound unto the Borrego Water District, hereinafter called the DISTRICT, in the penal sum of TEN PERCENT (10%) OF THE TOTAL BID PRICE of the Principal submitted to DISTRICT for the work described below, for the payment of which sum in lawful money of the United States, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that whereas the Principal has submitted the accompanying bid dated _____, 20____, for New Extraction Well at Well ID4-4 Location.

If the Principal does not withdraw its Bid within the time specified in the Contract Documents; and if the Principal is awarded the Contract and provides all documents to the DISTRICT as required by the Contract Documents; then this obligation shall be null and void. Otherwise, this bond will remain in full force and effect.

Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract Documents shall affect its obligation under this bond, and Surety does hereby waive notice of any such changes.

In the event a lawsuit is brought upon this bond by the DISTRICT and judgment is recovered, the Surety shall pay all litigation expenses incurred by the DISTRICT in such suit, including reasonable attorneys' fees, court costs, expert witness fees and expenses.

IN WITNESS WHEREOF, the above-bound parties have executed this instrument under their several seals this _____ day of _____, 20____, the name and corporate seal of each corporation.

(Corporate Seal)

Contractor/ Principal

By _____

Title _____

(Corporate Seal)

Surety

By _____
Attorney-in-Fact

(Attach Attorney-in-Fact Certificate)

Title _____

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory

Name(s) of Signer(s)

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
- Corporate Officer

Title(s)

Title or Type of Document

- Partner(s) Limited
- General

Number of Pages

- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other:

Date of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

NOTE: This acknowledgment is to be completed for Contractor/Principal.

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
 COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public _____

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

- Individual
- Corporate Officer

_____ Title(s)

- Partner(s) Limited
- General

- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other:

Signer is representing:
 Name Of Person(s) Or Entity(ies)

DESCRIPTION OF ATTACHED DOCUMENT

_____ Title or Type of Document

_____ Number of Pages

_____ Date of Document

_____ Signer(s) Other Than Named Above

NOTE: This acknowledgment is to be completed for the Attorney-in-Fact. The Power-of-Attorney to local representatives of the bonding company must also be attached.

END OF BID BOND

1.3 List of Subcontractors

In compliance with the Subletting and Subcontracting Fair Practices Act Chapter 4 (commencing at Section 4100), Part 1, Division 2 of the Public Contract Code of the State of California and any amendments thereof, Bidder shall set forth below: (a) the name and the location of the place of business, (b) the California contractor license number, (c) the DIR public works contractor registration number unless exempt pursuant to Labor Code Sections 1725.5 and 1771.1, and (d) the portion of the work which will be done by each subcontractor who will perform work or labor or render service to the Bidder in or about the construction of the work or improvement to be performed under this Contract in an amount in excess of one-half of one percent (0.5%) of the Bidder's Total Bid Price. Notwithstanding the foregoing, if the work involves the construction of streets and highways, then the Bidder shall list each subcontractor who will perform work or labor or render service to the Bidder in or about the work in an amount in excess of one-half of one percent (0.5%) of the Bidder's Total Bid Price or \$10,000, whichever is greater. No additional time shall be granted to provide the below requested information.

If a Bidder fails to specify a subcontractor or if a contractor specifies more than one subcontractor for the same portion of work, then the Bidder shall be deemed to have agreed that it is fully qualified to perform that portion of work and that it shall perform that portion itself.

Work to be done by Subcontractor	Name of Subcontractor	Location of Business	CSLB Contractor License No.	DIR Registration Number	% of Work

Work to be done by Subcontractor	Name of Subcontractor	Location of Business	CSLB Contractor License No.	DIR Registration Number	% of Work

(Attach additional sheets if necessary)

Name of Bidder _____

Signature _____

Name and Title _____

Dated _____

1.4 Bidder Information and Experience Form

ARTICLE 1. INFORMATION ABOUT BIDDER

(Indicate not applicable (“N/A”) where appropriate.)

NOTE: Where Bidder is a joint venture, pages shall be duplicated and information provided for all parties to the joint venture.

1.0 Name of Bidder: _____

2.0 Type, if Entity: _____

3.0 Bidder Address: _____

Facsimile Number

Telephone Number

Email Address

4.0 How many years has Bidder’s organization been in business as a Contractor?

5.0 How many years has Bidder’s organization been in business under its present name? _____

5.1 Under what other or former names has Bidder’s organization operated? _____

6.0 If Bidder’s organization is a corporation, answer the following:

6.1 Date of Incorporation: _____

6.2 State of Incorporation: _____

6.3 President’s Name: _____

6.4 Vice-President’s Name(s): _____

6.5 Secretary’s Name: _____

6.6 Treasurer’s Name: _____

7.0 If an individual or a partnership, answer the following:

7.1 Date of Organization: _____

7.2 Name and address of all partners (state whether general or limited partnership):

8.0 If other than a corporation or partnership, describe organization and name principals:

9.0 List other states in which Bidder's organization is legally qualified to do business.

10.0 What type of work does the Bidder normally perform with its own forces?

11.0 Has Bidder ever failed to complete any work awarded to it? If so, note when, where, and why:

12.0 Within the last five years, has any officer or partner of Bidder's organization ever been an officer or partner of another organization when it failed to complete a contract? If so, attach a separate sheet of explanation:

13.0 List Trade References:

14.0 List Bank References (Bank and Branch Address):

15.0 Name of Bonding Company and Name and Address of Agent:

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

ARTICLE 3. LIST OF COMPLETED PROJECTS – LAST THREE YEARS

[**Duplicate Page if needed for listing additional completed projects.**]

Please include only those projects which are similar enough to demonstrate Bidder's ability to perform the required Work.

Project	Description of Bidder's Work	Completion Date	Cost of Bidder's Work

ARTICLE 4. EXPERIENCE AND TECHNICAL QUALIFICATIONS QUESTIONNAIRE

Personnel:

The Bidder shall identify the key personnel to be assigned to this project in a management, construction supervision or engineering capacity.

1. List each person's job title, name and percent of time to be allocated to this project:

2. Summarize each person's specialized education:

3. List each person's years of construction experience relevant to the project:

4. Summarize such experience:

Bidder agrees that personnel named in this Bid will remain on this Project until completion of all relevant Work, unless substituted by personnel of equivalent experience and qualifications approved in advance by the DISTRICT.

Changes Occuring Since Prequalification

If any substantive changes have occurred since Bidder submitted its prequalification package for this Project, Bidder shall list them below. If none are listed, Bidder certifies that no substantive changes have occurred.

Additional Bidder's Statements:

If the Bidder feels that there is additional information which has not been included in the questionnaire above, and which would contribute to the qualification review, it may add that information in a statement here or on an attached sheet, appropriately marked:

ARTICLE 5. VERIFICATION AND EXECUTION

These Bid Forms shall be executed only by a duly authorized official of the Bidder:

I declare under penalty of perjury under the laws of the State of California that the foregoing information is true and correct:

Name of Bidder_____

Signature_____

Name_____

Title_____

Date_____

1.5 Non-Collusion Declaration

The undersigned declares:

I am the _____ of _____, the party making the foregoing Bid.

The Bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The Bid is genuine and not collusive or sham. The Bidder has not directly or indirectly induced or solicited any other Bidder to put in a false or sham bid. The Bidder has not directly or indirectly colluded, conspired, connived, or agreed with any Bidder or anyone else to put in a sham bid, or to refrain from bidding. The Bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the Bid Price of the Bidder or any other Bidder, or to fix any overhead, profit, or cost element of the Bid Price, or of that of any other Bidder. All statements contained in the Bid are true. The Bidder has not, directly or indirectly, submitted his or her Bid Price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a Bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the Bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on _____ [date], at _____ [city], _____ [state].

Name of Bidder _____

Signature _____

Name _____

Title _____

1.6 Iran Contracting Act Certification.
(Public Contract Code section 2200 et seq.)

As required by California Public Contract Code Section 2204, the Contractor certifies subject to penalty for perjury that the option checked below relating to the Contractor's status in regard to the Iran Contracting Act of 2010 (Public Contract Code Section 2200 *et seq.*) is true and correct:

The Contractor is not:

(1) identified on the current list of person and entities engaged in investment activities in Iran prepared by the California Department of General Services in accordance with subdivision (b) of Public Contract Code Section 2203; or

(2) a financial instruction that extends, for 45 days or more, credit in the amount of \$20,000,000 or more to any other person or entity identified on the current list of persons and entities engaging in investment activities in Iran prepared by the California Department of General Services in accordance with subdivision (b) of Public Contract Code Section 2203, if that person or entity uses or will use the credit to provide goods or services in the energy sector in Iran.

The DISTRICT has exempted the Contractor from the requirements of the Iran Contracting Act of 2010 after making a public finding that, absent the exemption, the DISTRICT will be unable to obtain the goods and/or services to be provided pursuant to the Contract.

The amount of the Contract payable to the Contractor for the Project does not exceed \$1,000,000.

Signature: _____

Printed Name: _____

Title: _____

Firm Name: _____

Date: _____

Note: In accordance with Public Contract Code Section 2205, false certification of this form shall be reported to the California Attorney General and may result in civil penalties equal to the greater of \$250,000 or twice the Contract amount, termination of the Contract and/or ineligibility to bid on contracts for three years.

1.7 Public Works Contractor Registration Certification

Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. See <http://www.dir.ca.gov/Public-Works/PublicWorks.html> for additional information.

No bid will be accepted nor any contract entered into without proof of the contractor's and subcontractors' current registration with the Department of Industrial Relations to perform public work.

Bidder hereby certifies that it is aware of the registration requirements set forth in Labor Code sections 1725.5 and 1771.1 and is currently registered as a contractor with the Department of Industrial Relations.¹

Name of Bidder: _____

DIR Registration Number: _____

DIR Registration Expiration: _____

Small Project Exemption: _____ Yes or _____ No

Unless Bidder is exempt pursuant to the small project exemption, Bidder further acknowledges:

1. Bidder shall maintain a current DIR registration for the duration of the project.
2. Bidder shall include the requirements of Labor Code sections 1725.5 and 1771.1 in its contract with subcontractors and ensure that all subcontractors are registered at the time of bid opening and maintain registration status for the duration of the project.
3. Failure to submit this form or comply with any of the above requirements may result in a finding that the bid is non-responsive.

Name of Bidder _____

Signature _____

Name and Title _____

Dated _____

¹ If the Project is exempt from the contractor registration requirements pursuant to the small project exemption under Labor Code Sections 1725.5 and 1771.1, please mark "Yes" in response to "Small Project Exemption."

1.8 Contractor's Certificate Regarding Workers' Compensation.

I am aware of the provisions of section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Contract.

Name of Bidder _____

Signature _____

Name _____

Title _____

Dated _____

00 52 13 – CONTRACT

This CONTRACT, No. _____ is made and entered into this ____ day of _____, _____, by and between Borrego Water District, sometimes hereinafter called "DISTRICT," and _____, sometimes hereinafter called "Contractor."

WITNESSETH: That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other as follows:

a. **SCOPE OF WORK.** The Contractor shall perform all Work within the time stipulated in the Contract, and shall provide all labor, materials, equipment, tools, utility services, and transportation to complete all of the Work required in strict compliance with the Contract Documents as specified in Article 5, below, for the following Project:

New Extraction Well at Well ID4-4 Location

The Contractor and its surety shall be liable to the DISTRICT for any damages arising as a result of the Contractor's failure to comply with this obligation.

b. **TIME FOR COMPLETION.** Time is of the essence in the performance of the Work. The Work shall be commenced on the date stated in the DISTRICT's Notice to Proceed. The Contractor shall complete all Work required by the Contract Documents within **SIXTY (60) CALENDAR DAYS** from the commencement date stated in the Notice to Proceed. By its signature hereunder, Contractor agrees the time for completion set forth above is adequate and reasonable to complete the Work.

c. **CONTRACT PRICE.** The DISTRICT shall pay to the Contractor as full compensation for the performance of the Contract, subject to any additions or deductions as provided in the Contract Documents, and including all applicable taxes and costs, the sum of _____ Dollars (\$ _____). Payment shall be made as set forth in the General Conditions.

d. **LIQUIDATED DAMAGES.** In accordance with Government Code section 53069.85, it is agreed that the Contractor will pay the DISTRICT the sum set forth in Section 00 73 13, Article 1.11 for each and every calendar day of delay beyond the time prescribed in the Contract Documents for finishing the Work, as Liquidated Damages and not as a penalty or forfeiture. In the event this is not paid, the Contractor agrees the DISTRICT may deduct that amount from any money due or that may become due the Contractor under the Contract. This Article does not exclude recovery of other damages specified in the Contract Documents.

e. **COMPONENT PARTS OF THE CONTRACT.** The "Contract Documents" include the following:

- Notice Inviting Bids
- Instructions to Bidders
- Bid Form
- Bid Bond
- Designation of Subcontractors
- Information Required of Bidders

Non-Collusion Declaration Form
Iran Contracting Act Certification
Public Works Contractor Registration Certification
Performance Bond
Payment (Labor and Materials) Bond
General Conditions
Special Conditions
General Requirements
Technical Specifications
Addenda
Plans and Drawings
Standard Specifications for Public Works Construction "Greenbook", latest edition,
Except Sections 1-9
Applicable Local Agency Standards and Specifications, as last revised
Approved and fully executed change orders
Any other documents contained in or incorporated into the Contract

The Contractor shall complete the Work in strict accordance with all of the Contract Documents.

All of the Contract Documents are intended to be complementary. Work required by one of the Contract Documents and not by others shall be done as if required by all. This Contract shall supersede any prior agreement of the parties.

f. **PROVISIONS REQUIRED BY LAW AND CONTRACTOR COMPLIANCE.** Each and every provision of law required to be included in these Contract Documents shall be deemed to be included in these Contract Documents. The Contractor shall comply with all requirements of applicable federal, state and local laws, rules and regulations, including, but not limited to, the provisions of the California Labor Code and California Public Contract Code which are applicable to this Work.

g. **INDEMNIFICATION.** Contractor shall provide indemnification and defense as set forth in the General Conditions.

h. **PREVAILING WAGES.** Contractor shall be required to pay the prevailing rate of wages in accordance with the Labor Code which such rates shall be made available at the DISTRICT's Administrative Office or may be obtained online at <http://www.dir.ca.gov> and which must be posted at the job site.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, this Contract has been duly executed by the above-named parties, on the day and year above written.

Name of Contractor

BORREGO WATER DISTRICT

By _____

By _____

General Manager

Name and Title: _____

Date: _____

License No. _____

Date: _____

**(CONTRACTOR'S SIGNATURE MUST BE
NOTARIZED AND CORPORATE
SEAL AFFIXED, IF APPLICABLE)**

Approved as to form this _____ day of _____ 20____.

Attorney for Borrego Water District

END OF CONTRACT

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
 COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public _____

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

- Individual
- Corporate Officer

_____ Title(s)

- Partner(s) Limited
- General

- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other:

Signer is representing:
 Name Of Person(s) Or Entity(ies)

DESCRIPTION OF ATTACHED DOCUMENT

_____ Title or Type of Document

_____ Number of Pages

_____ Date of Document

_____ Signer(s) Other Than Named Above

00 61 13 – BOND FORMS

1.1 Performance Bond.

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the Borrego Water District, (hereinafter referred to as "DISTRICT") has awarded to _____, (hereinafter referred to as the "Contractor") an agreement for **Contract No.** _____, (hereinafter referred to as the "Project").

WHEREAS, the work to be performed by the Contractor is more particularly set forth in the Contract Documents for the Project dated _____, (hereinafter referred to as "Contract Documents"), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, the Contractor is required by said Contract Documents to perform the terms thereof and to furnish a bond for the faithful performance of said Contract Documents.

NOW, THEREFORE, we, _____, the undersigned Contractor and _____ as Surety, a corporation organized and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto the DISTRICT in the sum of _____ DOLLARS, (\$_____), said sum being not less than one hundred percent (100%) of the total amount of the Contract, for which amount well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that, if the Contractor, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the Contract Documents and any alteration thereof made as therein provided, on its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their intent and meaning; and shall faithfully fulfill all obligations including the one (1) year guarantee of all materials and workmanship; and shall indemnify and save harmless the DISTRICT, its officials, officers, employees, and authorized volunteers, as stipulated in said Contract Documents, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefore, there shall be included costs and reasonable expenses and fees including reasonable attorney's fees, incurred by DISTRICT in enforcing such obligation.

As a condition precedent to the satisfactory completion of the Contract Documents, unless otherwise provided for in the Contract Documents, the above obligation shall hold good for a period of one (1) year after the acceptance of the work by DISTRICT, during which time if Contractor shall fail to make full, complete, and satisfactory repair and replacements and totally protect the DISTRICT from loss or damage resulting from or caused by defective materials or faulty workmanship. The obligations of Surety hereunder shall continue so long as any obligation of Contractor remains. Nothing herein shall limit the DISTRICT's rights or the Contractor or Surety's obligations under the Contract, law or equity, including, but not limited to, California Code of Civil Procedure Section 337.15.

Whenever Contractor shall be, and is declared by the DISTRICT to be, in default under the Contract Documents, the Surety shall remedy the default pursuant to the Contract Documents, or shall promptly, at the DISTRICT's option:

- i. Take over and complete the Project in accordance with all terms and conditions in the Contract Documents; or
- ii. Obtain a bid or bids for completing the Project in accordance with all terms and conditions in the Contract Documents and upon determination by Surety of the lowest responsive and responsible bidder, arrange for a Contract between such bidder, the Surety and the DISTRICT, and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the DISTRICT under the Contract and any modification thereto, less any amount previously paid by the DISTRICT to the Contractor and any other set offs pursuant to the Contract Documents.
- iii. Permit the DISTRICT to complete the Project in any manner consistent with California law and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the DISTRICT under the Contract and any modification thereto, less any amount previously paid by the DISTRICT to the Contractor and any other set offs pursuant to the Contract Documents.

Surety expressly agrees that the DISTRICT may reject any contractor or subcontractor which may be proposed by Surety in fulfillment of its obligations in the event of default by the Contractor.

Surety shall not utilize Contractor in completing the Project nor shall Surety accept a bid from Contractor for completion of the Project if the DISTRICT, when declaring the Contractor in default, notifies Surety of the DISTRICT's objection to Contractor's further participation in the completion of the Project.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project to be performed thereunder shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20__.

(Corporate Seal)

Contractor/ Principal

By _____

Title _____

(Corporate Seal)

Surety

By _____
Attorney-in-Fact

(Attach Attorney-in-Fact Certificate)

Title _____

The rate of premium on this bond is _____ per thousand. The total amount of premium charges is \$_____.
(The above must be filled in by corporate attorney.)

THIS IS A REQUIRED FORM

Any claims under this bond may be addressed to:

(Name and Address of Surety)

(Name and Address of Agent or Representative for service of process in California, if different from above)

(Telephone number of Surety and Agent or Representative for service of process in California)

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
 COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public _____

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

- Individual
- Corporate Officer

_____ Title(s)

- Partner(s) Limited
- General

- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other:

Signer is representing:
 Name Of Person(s) Or Entity(ies)

DESCRIPTION OF ATTACHED DOCUMENT

_____ Title or Type of Document

_____ Number of Pages

_____ Date of Document

_____ Signer(s) Other Than Named Above

NOTE: This acknowledgment is to be completed for Contractor/Principal.

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
- Corporate Officer

Title(s)

Title or Type of Document

- Partner(s) Limited
- General

Number of Pages

- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other:

Date of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

NOTE: This acknowledgment is to be completed for the Attorney-in-Fact. The Power-of Attorney to local representatives of the bonding company must also be attached.

END OF PERFORMANCE BOND

1.2 Payment Bond (Labor and Materials).

KNOW ALL MEN BY THESE PRESENTS That

WHEREAS, the Borrego Water District (hereinafter designated as the "DISTRICT"), by action taken or a resolution passed _____, 20____, has awarded to _____ hereinafter designated as the "Principal," a contract for the work described as follows: **Contract No.** _____ (the "Project"); and

WHEREAS, said Principal is required to furnish a bond in connection with said contract; providing that if said Principal or any of its Subcontractors shall fail to pay for any materials, provisions, provender, equipment, or other supplies used in, upon, for or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the Unemployment Insurance Code or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of said Principal and its Subcontractors with respect to such work or labor the Surety on this bond will pay for the same to the extent hereinafter set forth.

NOW THEREFORE, we, the Principal and _____ as Surety, are held and firmly bound unto the DISTRICT in the penal sum of _____ Dollars (\$_____) lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal, his or its subcontractors, heirs, executors, administrators, successors or assigns, shall fail to pay any of the persons named in Civil Code Section 9100, fail to pay for any materials, provisions or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department or Franchise Tax Board from the wages of employees of the contractor and his subcontractors pursuant to Revenue and Taxation Code Section 18663, with respect to such work and labor the Surety or Sureties will pay for the same, in an amount not exceeding the sum herein above specified, and also, in case suit is brought upon this bond, all litigation expenses incurred by the DISTRICT in such suit, including reasonable attorneys' fees, court costs, expert witness fees and investigation expenses.

This bond shall inure to the benefit of any of the persons named in Civil Code Section 9100 so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety on this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement herein above described, or pertaining or relating to the furnishing of labor, materials, or equipment therefore, nor by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme or work of improvement herein above described, nor by any rescission or attempted rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such contract or agreement or

under the bond, nor by any fraud practiced by any person other than the claimant seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the owner or DISTRICT and original contractor or on the part of any obligee named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Civil Code Section 9100, and has not been paid the full amount of his claim and that Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned, including but not limited to the provisions of sections 2819 and 2845 of the California Civil Code.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20__.

(Corporate Seal)

Contractor/ Principal

By _____

Title _____

(Corporate Seal)

Surety

By _____
Attorney-in-Fact

(Attach Attorney-in-Fact Certificate)

Title _____

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
 COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public _____

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
- Corporate Officer

 Title(s)

 Title or Type of Document

- Partner(s) Limited
- General

 Number of Pages

- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other:

 Date of Document

Signer is representing:
 Name Of Person(s) Or Entity(ies)

 Signer(s) Other Than Named Above

NOTE: This acknowledgment is to be completed for Contractor/Principal.

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
 COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public _____

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

- Individual
- Corporate Officer

_____ Title(s)

- Partner(s) Limited
- General

- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other:

Signer is representing:
 Name Of Person(s) Or Entity(ies)

DESCRIPTION OF ATTACHED DOCUMENT

_____ Title or Type of Document

_____ Number of Pages

_____ Date of Document

_____ Signer(s) Other Than Named Above

NOTE: This acknowledgment is to be completed for the Attorney-in-Fact. The Power-of-Attorney to local representatives of the bonding company must also be attached.

END OF PAYMENT BOND

00 72 13 – GENERAL CONDITIONS

ARTICLE 1. DEFINED TERMS

Whenever used in the Contract Documents and printed with initial capital letters, the terms listed below will have the meanings indicated which are applicable to both the singular and plural thereof. In addition to terms specifically defined below, terms with initial capital letters in the Contract Documents include references to identified articles and paragraphs, and the titles of other documents or forms.

- A. Act of God – An earthquake of magnitude of 3.5 or higher on the Richter scale or a tidal wave.
- B. Addenda -- Written or graphic instruments issued prior to the submission of Bids which clarify, correct, or change the Contract Documents.
- C. Additional Work -- New or unforeseen work will be classified as “Additional Work” when the DISTRICT’s Representative determines that it is not covered by the Contract.
- D. Applicable Laws -- The laws, statutes, ordinances, rules, codes, regulations, permits, and licenses of any kind, issued by local, state or federal governmental authorities or private authorities with jurisdiction (including utilities), to the extent they apply to the Work.
- E. Bid -- The offer or proposal of a Bidder submitted on the prescribed form setting forth the prices and other terms for the Work to be performed.
- F. Bidder -- The individual or entity who submits a Bid directly to the DISTRICT.
- G. Board; Board of Directors – Borrego Water District Board of Directors.
- H. Change Order (“CO”) -- A document that authorizes an addition, deletion, or revision in the Work or an adjustment in the Contract Price or the Contract Times, issued on or after the Effective Date of the Contract, in accordance with the Contract Documents and in the form contained in the Contract Documents.
- I. Change Order Request (“COR”) -- A request made by the Contractor for an adjustment in the Contract Price and/or Contract Times as the result of a Contractor-claimed change to the Work. This term may also be referred to as a Change Order Proposal (“COP”), or Request for Change (“RFC”).
- J. Claim -- A demand or assertion by the DISTRICT or Contractor seeking an adjustment of Contract Price or Contract Times, or both, or other relief with respect to the terms of the Contract. A demand for money or services by a third party is not a Claim.
- K. Contract -- The entire integrated written agreement between the DISTRICT and Contractor concerning the Work. “Contract” may be used interchangeably with “Agreement” in the Contract Documents. The Contract supersedes prior

negotiations, representations, or agreements, whether written or oral, and includes all Contract Documents.

- L. Contract Documents -- The documents listed in Section 00 52 13, Article 5. Some documents provided by the DISTRICT to the Bidders and Contractor, including but not limited to reports and drawings of subsurface and physical conditions are not Contract Documents.
- M. Contract Price -- Amount to be paid by the DISTRICT to the Contractor as full compensation for the performance of the Contract and completion of the Work, subject to any additions or deductions as provided in the Contract Documents, and including all applicable taxes and costs.
- N. Contract Times -- The number of days or the dates stated in the Contract Documents to: achieve defined Milestones, if any; and to complete the Work so that it is ready for final payment.
- O. Contractor -- The individual or entity with which the DISTRICT has contracted for performance of the Work.
- P. Contractor's Designated On-Site Representative -- The Contractor's Designated On-Site Representative will be as identified in Section 00 72 13, Article 3 and shall not be changed without prior written consent of the DISTRICT.
- Q. Daily Rate -- The Daily Rate stipulated in the Contract Documents as full compensation to the Contractor due to the DISTRICT's unreasonable delay to the Project that was not contemplated by the parties.
- R. Day -- A calendar day of 24 hours measured from midnight to the next midnight.
- S. Defective Work -- Work that is unsatisfactory, faulty, or deficient; or that does not conform to the Contract Documents; or that does not meet the requirements of any inspection, reference standard, test, or approval referenced in the Contract Documents.
- T. Demobilization -- The complete dismantling and removal by the Contractor of all of the Contractor's temporary facilities, equipment, and personnel at the Site.
- U. District -- Borrego Water District.
- V. District's Representative -- The individual or entity as identified in the Special Conditions to act as the DISTRICT's Representative.
- W. Drawings -- That part of the Contract Documents prepared by of the Engineer of Record which graphically shows the scope, extent, and character of the Work to be performed by Contractor. Shop Drawings and other Contractor submittals are not Drawings as so defined.
- X. Effective Date of the Contract -- The date indicated in the Contract on which it becomes effective, but if no such date is indicated, it means the date on which the Contract is signed and delivered by the last of the two parties to sign and deliver.

- Y. Engineer, whenever not qualified, shall mean the General Manger of the DISTRICT, acting either directly or through properly authorized agents, such agents acting severally within the scope of the particular duties entrusted to them. On all questions concerning the acceptance of materials, machinery, the classifications of material, the execution of work, conflicting interest of the contractors performing related work and the determination of costs, the decision of the Engineer, duly authorized by the Board of Directors, shall be binding and final upon both parties.
- Z. Engineer of Record -- The individual, partnership, corporation, joint venture, or other legal entity named as such in Section 00 73 13, Article 1.1. or any succeeding entity designated by the DISTRICT.
- AA.General Manager – Borrego Water District’s General Manager/Engineer, acting either directly or through properly authorized agents, such agents acting within the scope of the particular duties entrusted to them.
- BB.Green Book -- The current edition of the Standard Specifications for Public Works Construction promulgated by the Joint Cooperative Committee of the Southern California Chapter American Public Works Association and the Southern California Districts of the Associated General Contractors of California.
- CC. Hazardous Waste -- The term “Hazardous Waste” shall have the meaning provided in Section 104 of the Solid Waste Disposal Act (42 U.S.C. § 6903) as amended from time to time or, as defined in Section 25117 of the Health and Safety Code, that is required to be removed to a class I, class II, or class III disposal site in accordance with provisions of existing law, whichever is more restrictive.
- DD. Holiday – The Holidays occur on:
- New Year’s Day - January 1
 President’s Day – Third Monday in February
 Memorial Day - Last Monday in May
 Independence Day - July 4
 Labor Day - First Monday in September
 Veteran’s Day - November 11
 Thanksgiving Day - Fourth Thursday in November
 Friday after Thanksgiving
 Christmas Eve – December 24
 Christmas Day - December 25
 Day After Christmas – December 26
 New Year’s Eve – December 31
- If any Holiday listed above falls on a Saturday, Saturday and the preceding Friday are both Holidays. If the Holiday should fall on a Sunday, Sunday and the following Monday are both Holidays.
- EE.Notice of Award -- The written notice by the DISTRICT to the Successful Bidder stating that upon timely compliance by the Successful Bidder with the conditions precedent listed therein, the DISTRICT will sign and deliver the Contract.

- FF. Notice of Completion -- The form which may be executed by the DISTRICT and recorded by the county where the Project is located constituting final acceptance of the Project.
- GG. Notice to Proceed -- A written notice given by the DISTRICT to Contractor fixing the date on which the Contractor may proceed with the Work and when Contract Times will commence to run.
- HH. Project -- The total construction of which the Work to be performed under the Contract Documents may be the whole, or a part.
- II. Recyclable Waste Materials -- Materials removed from the Site which are required to be diverted to a recycling center rather than an area landfill. Recyclable Waste Materials include asphalt, concrete, brick, concrete block, and rock.
- JJ. Schedule of Submittals -- A schedule, prepared and maintained by Contractor, of required submittals and the time requirements to facilitate scheduled performance of related construction activities.
- KK. Shop Drawings -- All drawings, diagrams, illustrations, schedules, and other data or information which are specifically prepared or assembled by or for Contractor and submitted by Contractor to illustrate some portion of the Work.
- LL. Specifications -- That part of the Contract Documents consisting of written requirements for materials, equipment, systems, standards and workmanship as applied to the Work, and certain administrative requirements and procedural matters applicable thereto.
- MM. Stop Payment Notice -- A written notice as defined in Civil Code section 8044.
- NN. Subcontractor -- An individual or entity other than a Contractor having a contract with any other entity than the DISTRICT for performance of any portion of the Work at the Site.
- OO. Submittal -- Written and graphic information and physical samples prepared and supplied by the Contractor demonstrating various portions of the Work.
- PP. Successful Bidder -- The Bidder submitting a responsive Bid to whom the DISTRICT makes an award.
- QQ. Supplier -- A manufacturer, fabricator, supplier, distributor, material man, or vendor having a direct contract with Contractor or with any Subcontractor to furnish materials or equipment used in the performance of the Work or to be incorporated in the Work.
- RR. Underground Facilities -- All underground pipelines, conduits, ducts, cables, wires, manholes, vaults, tanks, tunnels, or other such facilities or attachments, and any encasements containing such facilities, including those that convey electricity, gases, steam, liquid petroleum products, telephone or other communications, cable television, water, wastewater, storm water, other liquids or chemicals, or traffic or other control systems.

SS. Unit Price Work -- Work to be paid for on the basis of unit prices as provided by the Contractor in its bid or as adjusted in accordance with the Contract Documents.

TT. Warranty -- A written guarantee provided to the DISTRICT by the Contractor that the Work will remain free of defects and suitable for its intended use for the period required by the Contract Documents or the longest period permitted by the law of this State, whichever is longer.

UU. Work -- The entire construction or the various separately identifiable parts thereof required to be provided under the Contract Documents. Work includes and is the result of performing or providing all labor, services, and documentation necessary to produce such construction, and furnishing, installing, and incorporating all materials and equipment into such construction, all as required by the Contract Documents.

ARTICLE 2. CONTRACT DOCUMENTS

A. **Contract Documents.** The Contract Documents are complementary, and what is called for by one shall be as binding as if called for by all.

B. **Interpretations.** The Contract Documents are intended to be fully cooperative and complementary. If the Contractor observes that any documents are in conflict, the Contractor shall promptly notify the Engineer in writing. In case of conflicts between the Contract Documents, the order of precedence shall be as follows:

1. Change Orders
2. Addenda
3. Special Conditions
4. Technical Specifications
5. General Requirements
6. Plans (Contract Drawings)
7. Contract
8. General Conditions
9. Instructions to Bidders
10. Notice Inviting Bids
11. Contractor's Bid Forms
12. Standard Specifications for Public Works Construction (Sections 1-9 Excluded), Latest Edition.
13. Applicable Local Agency Standards and Specifications
14. Standard Drawings
15. Reference Documents

With reference to the Drawings, the order of precedence shall be as follows:

1. Figures govern over scaled dimensions
2. Detail drawings govern over general drawings
3. Addenda or Change Order drawings govern over Contract Drawings
4. Contract Drawings govern over Standard Drawings
5. Contract Drawings govern over Shop Drawings

- C. **Conflicts in Contract Documents.** Notwithstanding the orders of precedence established above, in the event of conflicts, the higher standard, higher quality, and most expensive shall always apply.
- D. **Organization of Contract Documents.** Organization of the Contract Documents into divisions, sections, and articles, and arrangement of drawings shall not control the Contractor in dividing Project Work among subcontractors or in establishing the extent of Work to be performed by any trade.

ARTICLE 3. PRECONSTRUCTION AND CONSTRUCTION COMMUNICATION

Before any Work at the site is started, a conference attended by the DISTRICT, Contractor, DISTRICT's Representative, and others as appropriate will be held to establish a working understanding among the parties as to the Work and to discuss the schedules referred to herein, procedures for handling Shop Drawings and other submittals, processing Applications for Payment, and maintaining required records.

At this conference the DISTRICT and Contractor each shall designate, in writing, a specific individual to act as its authorized representative with respect to the services and responsibilities under the Contract. Such individuals shall have the authority to transmit instructions, receive information, render decisions relative to the Contract, and otherwise act on behalf of each respective party.

At the discretion of the Engineer, periodic meetings involving project personnel (the Contractor, utility and others) will be held for the purpose of coordinating project activities.

ARTICLE 4. CONTRACT DOCUMENTS: COPIES & MAINTENANCE

Contractor will be furnished, free of charge, **five (5)** copies of the Contract Documents. Additional copies may be obtained at cost of reproduction.

Contractor shall maintain a clean, undamaged set of Contract Documents, including submittals, at the Project site.

ARTICLE 5. EXAMINATION OF DRAWINGS, SPECIFICATIONS AND SITE OF WORK

- A. **Examination of Contract Documents.** Before commencing any portion of the Work, Contractor shall again carefully examine all applicable Contract Documents, the Project site, and other information given to Contractor as to materials and methods of construction and other Project requirements. Contractor shall immediately notify the Engineer of any potential error, inconsistency, ambiguity, conflict, or lack of detail or explanation. If Contractor performs, permits, or causes the performance of any Work which is in error, inconsistent or ambiguous, or not sufficiently detailed or explained, Contractor shall bear any and all resulting costs, including, without limitation, the cost of correction. In no case shall the Contractor or any subcontractor proceed with Work if uncertain as to the applicable requirements.
- B. **Additional Instructions.** After notification of any error, inconsistency, ambiguity, conflict, or lack of detail or explanation, the Engineer will provide any required additional instructions, by means of drawings or other written direction, necessary for proper execution of Work.

- C. **Quality of Parts, Construction and Finish.** All parts of the Work shall be of the best quality of their respective kinds and the Contractor must use all diligence to inform itself fully as to the required construction and finish.
- D. **Contractor's Variation from Contract Document Requirements.** If it is found that the Contractor has varied from the requirements of the Contract Documents including the requirement to comply with all applicable laws, ordinances, rules and regulations, the Engineer may at any time, before or after completion of the Work, order the improper Work removed, remade or replaced by the Contractor at the Contractor's expense.

ARTICLE 6. MOBILIZATION

- A. When a bid item is included in the Bid Form for mobilization, the costs of Work in advance of construction operations and not directly attributable to any specific bid item will be included in the progress estimate ("Initial Mobilization"). When no bid item is provided for "Initial Mobilization," payment for such costs will be deemed to be included in the other items of the Work.
- B. Payment for Initial Mobilization based on the lump sum provided in the Bid Form, which shall constitute full compensation for all such Work. No payment for Initial Mobilization will be made until all of the listed items have been completed to the satisfaction of the Engineer. The scope of the Work included under Initial Mobilization shall include, but shall not be limited to, the following principal items:
 - 1. Obtaining and paying for all bonds, insurance, and permits.
 - 2. Moving on to the Project site of all Contractor's plant and equipment required for the first month's operations.
 - 3. Installing temporary construction power, wiring, and lighting facilities, as applicable.
 - 4. Establishing fire protection system, as applicable.
 - 5. Developing and installing a construction water supply, if applicable.
 - 6. Providing and maintaining the field office trailers for the Contractor, if necessary, and the Engineer (if specified), complete, with all specified furnishings and utility services.
 - 7. Providing on-site sanitary facilities and potable water facilities as specified per Cal-OSHA and these Contract Documents.
 - 8. Furnishing, installing, and maintaining all storage buildings or sheds required for temporary storage of products, equipment, or materials that have not yet been installed in the Work. All such storage shall meet manufacturer's specified storage requirements, and the specific provisions of the specifications, including temperature and humidity control, if recommended by the manufacturer, and for all security.

9. Arranging for and erection of Contractor's work and storage yard.
10. Posting all OSHA required notices and establishment of safety programs per Cal-OSHA.
11. Full-time presence of Contractor's superintendent at the job site as required herein.
12. Providing on-site Contractor's sanitary facilities.
13. Install project sign, if required.
14. Submittal of Schedule of Values.
15. Submittal of Construction Schedule as required by the Contract Documents.

ARTICLE 7. EXISTENCE OF UTILITIES AT THE WORK SITE

- A. The DISTRICT has endeavored to determine the existence of utilities at the Project site from the records of the owners of known utilities in the vicinity of the Project. The positions of these utilities as derived from such records are shown on the Plans.
- B. Unless indicated otherwise on the Plans and Specifications, no excavations were made to verify the locations shown for underground utilities. The service connections to these utilities are not shown on the Plans. Water service connections may be shown on the Plans showing general locations of such connections. It shall be the responsibility of the Contractor to determine the exact location of all service connections. The Contractor shall make its own investigations, including exploratory excavations, to determine the locations and type of service connections, prior to commencing Work which could result in damage to such utilities. The Contractor shall immediately notify the DISTRICT in writing of any utility discovered in a different position than shown on the Plans or which is not shown on the Plans.
- C. If applicable, all water meters, water valves, fire hydrants, electrical utility vaults, telephone vaults, gas utility valves, and other subsurface structures shall be relocated or adjusted to final grade by the Contractor. Locations of existing utilities shown on the Plans are approximate and may not be complete. The Contractor shall be responsible for coordinating its Work with all utility companies during the construction of the Work.
- D. Notwithstanding the above, pursuant to section 4215 of the Government Code, the DISTRICT has the responsibility to identify, with reasonable accuracy, main or trunkline facilities on the plans and specifications. In the event that main or trunkline utility facilities are not identified with reasonable accuracy in the plans and specifications made a part of the invitation for Bids, the DISTRICT shall assume the responsibility for their timely removal, relocation, or protection.
- E. Contractor, except in an emergency, shall contact the appropriate regional notification center, **Southern California Underground Service Alert** at 811 or 1-800-227-2600 or on-line at www.digalert.org at least two working days prior to commencing any excavation if the excavation will be performed in an area which is

known, or reasonably should be known, to contain subsurface installations other than the underground facilities owned or operated by the DISTRICT, and obtain an inquiry identification number from that notification center. No excavation shall be commenced or carried out by the Contractor unless such an inquiry identification number has been assigned to the Contractor or any subcontractor of the Contractor and the DISTRICT has been given the identification number by the Contractor.

ARTICLE 8. SOILS INVESTIGATIONS

- A. Reports and Drawings. The Special Conditions identify:
1. those reports known to the DISTRICT of explorations and tests of subsurface conditions at or contiguous to the site; and
 2. those drawings known to the DISTRICT of physical conditions relating to existing surface or subsurface structures at the site (except Underground Facilities).
- B. Limited Reliance by Contractor on Technical Data Authorized. Contractor may rely upon the accuracy of the “technical data” contained in such reports and drawings, which were expressly not created or obtained to evaluate or assist in the evaluation of constructability, and are not Contract Documents. Contractor shall make its own interpretation of the “technical data” and shall be solely responsible for any such interpretations. Except for reliance on the accuracy of such “technical data,” Contractor may not rely upon or make any claim against the DISTRICT, DISTRICT’s Representative, or Engineer of Record, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors, with respect to:
1. the completeness of such reports and drawings for Contractor’s purposes, including without limitation any aspects of the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor, and safety precautions and programs incident thereto; or
 2. other data, interpretations, opinions, conclusions and information contained in such reports or shown or indicated in such drawings; or
 3. any Contractor interpretation of or conclusion drawn from any “technical data” or any such other data, interpretations, opinions, or information.

ARTICLE 9. CONTRACTOR’S SUPERVISION

Contractor shall continuously keep at the Project site, a competent and experienced full-time Project superintendent acceptable to the DISTRICT. Superintendent must be able to proficiently speak, read and write in English and shall have the authority to make decisions on behalf of the Contractor. Contractor shall continuously provide efficient supervision of the Project.

ARTICLE 10. WORKERS

- A. Contractor shall at all times enforce strict discipline and good order among its employees. Contractor shall not employ on the Project any unfit person or any one not skilled in the Work assigned to him or her.

- B. Any person in the employ of the Contractor whom the DISTRICT may deem incompetent or unfit shall be dismissed from the Work and shall not be employed on this Project.

ARTICLE 11. INDEPENDENT CONTRACTORS

Contractor shall be an independent contractor for the DISTRICT and not an employee. Contractor understands and agrees that it and all of its employees shall not be considered officers, employees, or agents of DISTRICT and are not entitled to benefits of any kind normally provided employees of DISTRICT, including but not limited to, state unemployment compensation or workers' compensation. Contractor assumes full responsibility for the acts and omissions of its employees or agents related to the Work.

ARTICLE 12. SUBCONTRACTS

- A. Contractor agrees to bind every subcontractor to the terms of the Contract Documents as far as such terms are applicable to subcontractor's portion of the Work. Contractor shall be as fully responsible to the DISTRICT for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by its subcontractors, as Contractor is for acts and omissions of persons directly employed by Contractor. Nothing contained in these Contract Documents shall create any contractual relationship between any subcontractor and the DISTRICT.
- B. The DISTRICT reserves the right to accept all subcontractors. The DISTRICT's acceptance of any subcontractor under this Contract shall not in any way relieve Contractor of its obligations in the Contract Documents.
- C. Prior to substituting any subcontractor listed in the Bid Forms, Contractor must comply with the requirements of the Subletting and Subcontracting Fair Practices Act pursuant to California Public Contract Code section 4100 et seq.

ARTICLE 13. VERIFICATION OF EMPLOYMENT ELIGIBILITY

By executing this Contract, Contractor verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subcontractors, sub-subcontractors and consultants to comply with the same. Each person executing this Contract on behalf of Contractor verifies that he or she is a duly authorized officer of Contractor and that any of the following shall be grounds for the DISTRICT to terminate the Contract for cause: (1) failure of the Contractor or its subcontractors, sub-subcontractors or consultants to meet any of the requirements provided for in this Article; (2) any misrepresentation or material omission concerning compliance with such requirements; or (3) failure to immediately remove from the Work any person found not to be in compliance with such requirements.

ARTICLE 14. REQUESTS FOR SUBSTITUTION

- A. For the purposes of this provision, the term "substitution" shall mean the substitution of any material, method or service substantially equal to or better in every respect to that indicated in the Standard Specifications or otherwise referenced herein.

- B. Pursuant to Public Contract Code section 3400(b), the DISTRICT may make a finding that is described in the Notice Inviting Bids that designates certain products, things, or services by specific brand or trade name.
- C. Unless specifically designated in the Special Conditions, whenever any material, process, or article is indicated or specified by grade, patent, or proprietary name or by name of manufacturer, such specifications shall be deemed to be used for the purpose of facilitating the description of the material, process, or article desired and shall be deemed to be followed by the words "or equal." Contractor may, unless otherwise stated, offer for substitution any material, process, or article which may be substantially equal to or better in every respect to that so indicated or specified in the Contract Documents. However, the DISTRICT has adopted uniform standards for certain materials, processes, and articles.
- D. The Contractor shall submit substitution requests, together with substantiating data, for substitution of any "or equal" material, process, or article no later than thirty-five (35) calendar days after award of Contract. Provisions regarding submission of substitution requests shall not in any way authorize an extension of time for the performance of this Contract. If a substitution request is rejected by the DISTRICT, the Contractor shall provide the material, method or service specified herein. The DISTRICT shall not be responsible for any costs incurred by the Contractor associated with substitution requests. The burden of proof as to the equality of any material, process, or article shall rest with the Contractor. The Engineer has the complete and sole discretion to determine if a material, process, or article is substantially equal to or better than that specified and to approve or reject all substitution requests.
- E. Substantiating data as described above shall include, at a minimum, the following information:
 - 1. A signed affidavit from the Contractor stating that the material, process, or article proposed as a substitution is substantially equal to or better than that specified in every way except as may be listed on the affidavit.
 - 2. Illustrations, specifications, catalog cut sheets, and any other relevant data required to prove that the material, process, or article is substantially equal to or better than that specified.
 - 3. A statement of the cost implications of the substitution being requested, indicating whether and why the proposed substitution will reduce or increase the amount of the contract.
 - 4. Information detailing the durability and lifecycle costs of the proposed substitution.
- F. Failure to submit all the required substantiating data detailed above in a timely manner so that the substitution request can be adequately reviewed may result in rejection of the substitution request. The Engineer is not obligated to review multiple submittals related the same substitution request resulting from the Contractor's failure to initially submit a complete package.

- G. Time limitations within this Article shall be strictly complied with and in no case will an extension of time for completion of the contract be granted because of Contractor's failure to provide substitution requests at the time and in the manner described herein.
- H. The Contractor shall bear the costs of all DISTRICT work associated with the review of substitution requests.
- I. If substitution requests approved by the Engineer require that Contractor furnish materials, methods or services more expensive than that specified, the increased costs shall be borne by Contractor.

ARTICLE 15. SHOP DRAWINGS

- A. Contractor shall check and verify all field measurements and shall submit with such promptness as to provide adequate time for review and cause no delay in its own Work or in that of any other contractor, subcontractor, or worker on the Project, six (6) copies of all shop drawings, calculations, schedules, and materials list, and all other provisions required by the Contract Documents. Contractor shall sign all submittals affirming that submittals have been reviewed and approved by Contractor prior to submission to Engineer. Each signed submittal shall affirm that the submittal meets all the requirements of the Contract Documents except as specifically and clearly noted and listed on the transmittal letter of the submittal.
- B. Contractor shall make any corrections required by the Engineer, and file with the Engineer six (6) corrected copies each, and furnish such other copies as may be needed for completion of the Work. Engineer's acceptance of shop drawings shall not relieve Contractor from responsibility for deviations from the Contract Documents unless Contractor has, in writing, called Engineer's attention to such deviations at time of submission and has secured the Engineer's written acceptance. Engineer's acceptance of shop drawings shall not relieve Contractor from responsibility for errors in shop drawings.

ARTICLE 16. SUBMITTALS

- A. Contractor shall furnish to the Engineer for approval, prior to purchasing or commencing any Work, a log of all samples, material lists and certifications, mix designs, schedules, and other submittals, as required in the Contract Documents. The log shall indicate whether samples will be provided in accordance with other provisions of this Contract.
- B. Contractor will provide samples and submittals, together with catalogs and supporting data required by the Engineer, to the Engineer within a reasonable time period to provide for adequate review and avoid delays in the Work.
- C. These requirements shall not authorize any extension of time for performance of this Contract. Engineer will check and approve such samples, but only for conformance with design concept of work and for compliance with information given in the Contract Documents. Work shall be in accordance with approved samples and submittals.

ARTICLE 17. MATERIALS

- A. Except as otherwise specifically stated in the Contract Documents, Contractor shall provide and pay for all materials, labor, tools, equipment, lights, power, transportation, superintendence, temporary constructions of every nature, and all other services and facilities of every nature whatsoever necessary to execute and complete this Contract within specified time.
- B. Unless otherwise specified, all materials shall be new and the best of their respective kinds and grades as noted and/or specified, and workmanship shall be of good quality.
- C. Materials shall be furnished in ample quantities and at such times as to ensure uninterrupted progress of the Work and shall be stored properly and protected as required by the Contract Documents. Contractor shall be entirely responsible for damage or loss by weather or other causes to materials or Work.
- D. No materials, supplies, or equipment for Work under this Contract shall be purchased subject to any chattel mortgage or under a conditional sale or other agreement by which an interest therein or in any part thereof is retained by the seller or supplier. Contractor warrants good title to all material, supplies, and equipment installed or incorporated in the Work and agrees upon completion of all work to deliver the Project, to the DISTRICT free from any claims, liens, or charges.
- E. Materials shall be stored on the Project site in such manner so as not to interfere with any operations of the DISTRICT or any independent contractor.
- F. Contractor shall verify all measurements, dimensions, elevations, and quantities before ordering any materials or performing any Work, and the DISTRICT shall not be liable for Contractor's failure to do so. No additional compensation, over and above payment for the actual quantities at the prices set out in the Bid Form, will be allowed because of differences between actual measurements, dimension, elevations and quantities and those indicated on the Plans and in the Specifications. Any difference therein shall be submitted to the Engineer for consideration before proceeding with the Work.

ARTICLE 18. PERMITS AND LICENSES

- A. DISTRICT will apply and pay for the review of necessary encroachment permits for Work within the public rights-of-way. Contractor shall obtain all other necessary permits and licenses for the construction of the Project, including encroachment permits, and shall pay all fees required by law and shall comply with all laws, ordinances, rules and regulations relating to the Work and to the preservation of public health and safety. Before acceptance of the Project, the Contractor shall submit all licenses, permits, certificates of inspection and required approvals to the DISTRICT.
- B. The Bid Form contains an allowance for the Contractor's cost of acquiring traffic control permits and for construction inspection fees that may be charged to the Contractor by the Agency of Jurisdiction. The allowance is included within the Bid Form to eliminate the need by bidders to research or estimate the costs of traffic

control permits and construction inspection fees prior to submitting a bid. The allowance is specifically intended to account for the costs of traffic control permits and construction inspection fees charged by the local Agency of Jurisdiction only. No other costs payable by Contractor to the Agency of Jurisdiction are included within the allowance. Payment by DISTRICT to Contractor under the Permit and Inspection Allowance Bid Item shall be made based on actual cost receipts only and in accordance with the provisions of these specifications.

ARTICLE 19. TRENCHES

- A. Trenches Five Feet or More in Depth.** Contractor shall submit to the Engineer at the preconstruction meeting, a detailed plan showing the design of shoring, bracing, sloping or other provisions to be made for worker protection from hazards of caving ground during the excavation of any trench or trenches five feet or more in depth. If such plan varies from shoring system standards established by the Construction Safety Orders of the California Code of Regulations, Department of Industrial Relations, the plan shall be prepared by a California registered civil or structural engineer. The plan shall not be less effective than the shoring, bracing, sloping, or other provisions of the Construction Safety Orders, as defined in the California Code of Regulations. The Contractor shall designate in writing the “competent person” as defined in Title 8, California Code of Regulations, who shall be present at the Work Site each day that trenching/excavation is in progress. The “competent person” shall prepare and provide daily trenching/excavation inspection reports to the Engineer. Contractor shall also submit a copy of its annual California Occupational Safety and Health Administration (Cal/OSHA) trench/excavation permit.
- B. Excavations Deeper than Four Feet.** If the Work involves excavating trenches or other excavations that extend deeper than four feet below the surface, Contractor shall promptly, and before the excavation is further disturbed, notify the DISTRICT in writing of any of the following conditions:
1. Material that the Contractor believes may be material that is hazardous waste, as defined in section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law.
 2. Subsurface or latent physical conditions at the site differing from those indicated.
 3. Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract

The DISTRICT shall promptly investigate the conditions, and if it finds that the conditions do so materially differ, or do involve hazardous waste, and cause a decrease or increase in Contractor’s cost of, or the time required for, performance of any part of the Work, shall issue a change order under the procedures described in the Contract Documents.

In the event that a dispute arises between the DISTRICT and the Contractor as to whether the conditions materially differ, or involve hazardous waste, or cause a decrease or increase in the Contractor’s cost of, or time required for, performance of

any part of the Work, the Contractor shall not be excused from any scheduled completion date provided for by the Contract, but shall proceed with all Work to be performed under the Contract. Contractor shall retain any and all rights provided either by contract or by law which pertain to the resolution of disputes and protests between the parties.

ARTICLE 20. TRAFFIC CONTROL

- A. Traffic control plan(s) for the Work may be required by the Agency(s) of Jurisdiction. Traffic control plans, if required, shall be prepared at Contractor's expense, and traffic control shall be performed at Contractor's expense in accordance with the requirements of the Agency(s) of Jurisdiction. The Permit and Inspection Allowance included within the Bid Form includes the cost of required traffic control permit(s) and construction inspection by the Agency(s) of Jurisdiction only. The Permit and Inspection Allowance does not include costs for preparation of any required traffic control plans, implementation of any traffic control requirements or for any traffic signal services that may be required. Costs for traffic control plans, implementation of traffic control, or traffic signal services required by the Agency(s) of Jurisdiction shall be included in the Contractor's Bid.
- B. All warning signs and safety devices used by the Contractor to perform the Work shall conform to the requirements contained in the State of California, Department of Transportation's current edition of "Manual of Traffic Controls for Construction and Maintenance Work Zones" or to the requirements of the local agency. The Contractor shall also be responsible for all traffic control required by the agency having jurisdiction over the project on the intersecting streets. Contractor shall submit two (2) traffic control plans to the agency having jurisdiction over the project and the General Manager a minimum of forty-eight (48) hours prior to starting work for approval.
- C. The Contractor's representative on the site responsible for traffic control shall produce evidence that he/she has completed training acceptable to the California Department of Transportation for safety through construction zones. All of the streets in which the Work will occur shall remain open to traffic and one lane of traffic maintained at all times unless otherwise directed by the agency of jurisdiction. Businesses and residences adjacent to the Work shall be notified forty-eight (48) hours in advance of closing of driveways. The Contractor shall make every effort to minimize the amount of public parking temporarily eliminated due to construction in areas fronting businesses. No stockpiles of pipe or other material will be allowed in traveled right-of-ways after working hours unless otherwise approved by the Engineer.

ARTICLE 21. DIVERSION OF RECYCLABLE WASTE MATERIALS

In compliance with the applicable DISTRICT's waste reduction and recycling efforts, Contractor shall divert all Recyclable Waste Materials to appropriate recycling centers as required for compliance with the local jurisdiction's waste diversion ordinances. Contractor will be required to submit weight tickets and written proof of diversion with its monthly progress payment requests. Contractor shall complete and execute any certification forms required by DISTRICT or other applicable agencies to document Contractor's compliance with these diversion requirements. All costs incurred for these waste diversion efforts shall be the responsibility of

the Contractor.

ARTICLE 22. REMOVAL OF HAZARDOUS MATERIALS

Should Contractor encounter material reasonably believed to be polychlorinated biphenyl (PCB) or other toxic wastes and hazardous materials which have not been rendered harmless at the Project site, the Contractor shall immediately stop work at the affected Project site and shall report the condition to the DISTRICT in writing. The DISTRICT shall contract for any services required to directly remove and/or abate PCBs and other toxic wastes and hazardous materials, if required by the Project site(s), and shall not require the Contractor to subcontract for such services. The Work in the affected area shall not thereafter be resumed except by written agreement of the DISTRICT and Contractor.

ARTICLE 23. SANITARY FACILITIES

Contractor shall provide sanitary temporary toilet buildings and hand washing facilities for the use of all workers. All toilets and hand washing facilities shall comply with local codes and ordinances. Toilets shall be kept supplied with toilet paper and shall have workable door fasteners. Toilets and hand washing facilities shall be serviced no less than once weekly and shall be present in a quantity of not less than 1 per 20 workers as required by Cal/OSHA regulations. The toilets and hand washing facilities shall be maintained in a sanitary condition at all times. Use of toilet and hand washing facilities in the Work under construction shall not be permitted. Any other Sanitary Facilities required by Cal/OSHA shall be the responsibility of the Contractor.

ARTICLE 24. AIR POLLUTION CONTROL

Contractor shall comply with all air pollution control rules, regulations, ordinances and statutes, including, but not limited to, those required by the South Coast Air Quality Management District. All containers of paint, thinner, curing compound, solvent or liquid asphalt shall be labeled to indicate that the contents fully comply with the applicable material requirements.

ARTICLE 25. LAYOUT AND FIELD ENGINEERING

All field engineering required for laying out the Work and establishing grades for earthwork operations shall be furnished by the Contractor at its expense.

ARTICLE 26. TESTS AND INSPECTIONS

- A. If the Contract Documents, the Engineer, or any instructions, laws, ordinances, or public authority requires any part of the Work to be tested or Approved, Contractor shall provide the Engineer at least two (2) working days' notice of its readiness for observation or inspection. If inspection is by a public authority other than the DISTRICT, Contractor shall promptly inform the DISTRICT of the date fixed for such inspection. Required certificates of inspection (or similar) shall be secured by Contractor. Costs for DISTRICT testing and DISTRICT inspection shall be paid by the DISTRICT. Costs of tests for Work found not to be in compliance shall be paid by the Contractor.
- B. If any Work is done or covered up without the required testing or approval, the Contractor shall uncover or deconstruct the Work, and the Work shall be redone after

completion of the testing at the Contractor's cost in compliance with the Contract Documents.

- C. Where inspection and testing are to be conducted by an independent laboratory or agency, materials or samples of materials to be inspected or tested shall be selected by such laboratory or agency, or by the DISTRICT, and not by Contractor. All tests or inspections of materials shall be made in accordance with the commonly recognized standards of national organizations.
- D. In advance of manufacture of materials to be supplied by Contractor which must be tested or inspected, Contractor shall notify the DISTRICT so that the DISTRICT may arrange for testing at the source of supply. Any materials which have not satisfactorily passed such testing and inspection shall not be incorporated into the Work.
- E. If the manufacture of materials to be inspected or tested will occur in a plant or location greater than sixty (60) miles from the DISTRICT, the Contractor shall pay for any excessive or unusual costs associated with such testing or inspection, including but not limited to excessive travel time, standby time and required lodging.
- F. Reexamination of Work may be ordered by the DISTRICT. If so ordered, Work must be uncovered or deconstructed by Contractor. If Work is found to be in accordance with the Contract Documents, the DISTRICT shall pay the costs of reexamination and reconstruction. If such work is found not to be in accordance with the Contract Documents, Contractor shall pay all costs.

ARTICLE 27. PROTECTION OF WORK AND PROPERTY

- A. The Contractor shall be responsible for all damages to persons or property that occurs as a result of the Work. Contractor shall be responsible for the proper care and protection of all materials delivered and Work performed until completion and final Acceptance by the DISTRICT. All Work shall be solely at the Contractor's risk. Contractor shall adequately protect adjacent property from settlement or loss of lateral support as necessary. Contractor shall comply with all applicable safety laws and building codes to prevent accidents or injury to persons on, about, or adjacent to the Project site where Work is being performed. Contractor shall erect and properly maintain at all times, as required by field conditions and progress of work, all necessary safeguards, signs, barriers, lights, and watchmen for protection of workers and the public, and shall post danger signs warning against hazards created in the course of construction.
- B. In an emergency affecting safety of life or of work or of adjoining property, Contractor, without special instruction or authorization from the Engineer, is hereby permitted to act to prevent such threatened loss or injury; and Contractor shall so act, without appeal, if so authorized or instructed by the Engineer or the DISTRICT. Any compensation claimed by Contractor on account of emergency work shall be determined by and agreed upon by the DISTRICT and the Contractor.

ARTICLE 28. CONTRACTOR'S MEANS AND METHODS

Contractor is solely responsible for the means and methods utilized to perform the Work. In no

case shall the Contractor's means and methods deviate from commonly used industry standards.

ARTICLE 29. AUTHORIZED REPRESENTATIVES

The DISTRICT shall designate representatives, who shall have the right to be present at the Project site at all times. The DISTRICT may designate an inspector who shall have the right to observe all of the Contractor's Work. The inspector shall not be responsible for the Contractor's failure to carry out the Work in accordance with the Contract Documents. Contractor shall provide safe and proper facilities for such access.

ARTICLE 30. HOURS OF WORK

- A. As provided in Article 3 (commencing at section 1810), Chapter 1, Part 7, Division 2 of the Labor Code, Contractor stipulates that eight (8) hours of labor shall constitute a legal day's work. The time of service of any worker employed at any time by the Contractor or by any subcontractor on any subcontract under this Contract upon the Work or upon any part of the Work contemplated by this Contract is limited and restricted to eight (8) hours during any one calendar day and 40 hours during any one calendar week, except as hereinafter provided. Notwithstanding the provisions herein above set forth, work performed by employees of Contractor in excess of eight (8) hours per day, and 40 hours during any one week, shall be permitted upon this public work upon compensation for all hours worked in excess of eight (8) hours per day at not less than one and one-half times the basic rate of pay.
- B. The Contractor and every subcontractor shall keep an accurate record showing the name of and actual hours worked each calendar day and each calendar week by each worker employed in connection with the Work or any part of the Work contemplated by this Contract. The record shall be kept open at all reasonable hours to the inspection of the DISTRICT and to the Division of Labor Law Enforcement, Department of Industrial Relations of the State of California.
- C. The Contractor shall pay to the DISTRICT a penalty of twenty-five dollars (\$25.00) for each worker employed in the execution of this Contract by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any calendar day and 40 hours in any one calendar week in violation of the provisions of Article 3 (commencing at section 1810), Chapter 1, Part 7, Division 2 of the Labor Code.
- D. Any work necessary to be performed after regular working hours, or on Saturdays and Sundays or other holidays, shall be performed without additional expense to the DISTRICT.
- E. DISTRICT will provide inspection during normal working hours from 7:00 a.m. to 3:30 p.m. Monday through Friday. Inspection before or after this time will be charged to the Contractor as reimbursable inspection time. Inspections on weekends requires two days' notice for review and approval. Upon written request and approval the 8.5 hour working day may be changed to other limits subject to city/county ordinance.
- F. It shall be unlawful for any person to operate, permit, use, or cause to operate any of the following at the Project site, other than between the hours of 7:00 a.m. to 5:00

p.m., Monday through Friday, with no Work allowed on the DISTRICT-observed holidays, unless otherwise approved by the DISTRICT:

1. Powered Vehicles
2. Construction Equipment
3. Loading and Unloading Vehicles
4. Domestic Power Tools

ARTICLE 31. PAYROLL RECORDS; LABOR COMPLIANCE

- A. Pursuant to Labor Code section 1776, Contractor and all subcontractors shall maintain weekly certified payroll records, showing the names, addresses, Social Security numbers, work classifications, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by them in connection with the Work under this Contract. Contractor shall certify under penalty of perjury that records maintained and submitted by Contractor are true and accurate. Contractor shall also require subcontractor(s) to certify weekly payroll records under penalty of perjury.
- B. In accordance with Labor Code section 1771.4, the Contractor and each subcontractor shall furnish the certified payroll records directly to the Department of Industrial Relations ("DIR") on the specified interval and format prescribed by the DIR, which may include electronic submission. Contractor shall comply with all requirements and regulations from the DIR relating to labor compliance monitoring and enforcement. The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.
- C. Any stop orders issued by the Department of Industrial Relations against Contractor or any subcontractor that affect Contractor's performance of Work, including any delay, shall be Contractor's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Contractor caused delay subject to any applicable liquidated damages and shall not be compensable by the DISTRICT. Contractor shall defend, indemnify and hold the DISTRICT, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Contractor or any subcontractor.
- D. The payroll records described herein shall be certified and submitted by the Contractor at a time designated by the DISTRICT. The Contractor shall also provide the following:
 1. A certified copy of the employee's payroll records shall be made available for inspection or furnished to such employee or his or her authorized representative on request.

2. A certified copy of all payroll records described herein shall be made available for inspection or furnished upon request of the DIR.
- E. Unless submitted electronically, the certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement ("DLSE") of the DIR or shall contain the same information as the forms provided by the DLSE.
- F. Any copy of records made available for inspection as copies and furnished upon request to the public or any public agency, the DISTRICT, the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement shall be marked or obliterated in such a manner as to prevent disclosure of an individual's name, address and social security number. The name and address of the Contractor awarded the Contract or performing the contract shall not be marked or obliterated.
- G. In the event of noncompliance with the requirements of this Article, the Contractor shall have ten (10) calendar days in which to comply subsequent to receipt of written notice specifying in what respects the Contractor must comply with this Article. Should noncompliance still be evident after such 10-day period, the Contractor shall pay a penalty of one hundred dollars (\$100.00) to the DISTRICT for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, such penalties shall be withheld from progress payment then due.
- H. The responsibility for compliance with this Article shall rest upon the Contractor.

ARTICLE 32. PREVAILING RATES OF WAGES

- A. The Contractor is aware of the requirements of Labor Code sections 1720 *et seq.* and 1770 *et seq.*, as well as California Code of Regulations, Title 8, Section 16000 *et seq.* ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. Since this Project involves an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and since the total compensation is \$1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. The Contractor shall obtain a copy of the prevailing rates of per diem wages at the commencement of this Contract from the website of the Division of Labor Statistics and Research of the Department of Industrial Relations located at www.dir.ca.gov. In the alternative, the Contractor may view a copy of the prevailing rate of per diem wages which are on file at the DISTRICT's Administration Office and shall be made available to interested parties upon request. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification, or type of worker needed to perform work on the Project available to interested parties upon request, and shall post copies at the Contractor's principal place of business and at the Project site. Contractor shall defend, indemnify and hold the DISTRICT, its officials, officers, employees and authorized volunteers free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or allege failure to comply with the Prevailing Wage Laws.
- B. The Contractor shall forfeit as a penalty to the DISTRICT not more than Two Hundred Dollars (\$200.00), pursuant to Labor Code section 1775, for each calendar

day, or portion thereof, for each worker paid less than the prevailing wage rate as determined by the Director of the Department of Industrial Relations for such work or craft in which such worker is employed for any public work done under the Contract by it or by any subcontractor under it. The difference between such prevailing wage rate and the amount paid to each worker for each calendar day or portion thereof, for which each worker was paid less than the prevailing wage rate, shall be paid to each worker by the Contractor.

- C. Contractor shall post, at appropriate conspicuous points on the Project site, a schedule showing all determined general prevailing wage rates and all authorized deductions, if any, from unpaid wages actually earned.

ARTICLE 33. PUBLIC WORKS CONTRACTOR REGISTRATION

Pursuant to Labor Code sections 1725.5 and 1771.1, the Contractor and its subcontractors must be registered with the Department of Industrial Relations prior to the execution of a contract to perform public works. By entering into this Contract, Contractor represents that it is aware of the registration requirement and is currently registered with the DIR. Contractor shall maintain a current registration for the duration of the Project. Contractor shall further include the requirements of Labor Code sections 1725.5 and 1771.1 in any subcontract and ensure that all subcontractors are registered at the time this Contract is entered into and maintain registration for the duration of the Project. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

ARTICLE 34. EMPLOYMENT OF APPRENTICES

- A. Contractor and all subcontractors shall comply with the requirements of Labor Code sections 1777.5 and 1777.6 in the employment of apprentices.
- B. Information relative to apprenticeship standards, wage schedules, and other requirements may be obtained from the Director of Industrial Relations, ex officio the Administrator of Apprenticeship, San Francisco, California, or from the Division of Apprenticeship Standards and its branch offices.
- C. Knowing violations of Labor Code section 1777.5 will result in forfeiture not to exceed one hundred dollars (\$100.00) for each calendar day of non-compliance pursuant to Labor Code section 1777.7.
- D. The responsibility for compliance with this Article shall rest upon the Contractor.

ARTICLE 35. NONDISCRIMINATION/EQUAL EMPLOYMENT OPPORTUNITY

Pursuant to Labor Code section 1735 and other applicable provisions of law, the Contractor and its subcontractors shall not discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, or any other classifications protected by law on this Project. The Contractor will take affirmative action to insure that employees are treated during employment or training without regard to their race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical

condition, marital status, sex, age, sexual orientation, or any other classifications protected by law.

Employment Eligibility; Contractor. By executing this Contract, Contractor verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time. Such requirements and restrictions include, but are not limited to, examination and retention of documentation confirming the identity and immigration status of each employee of the Contractor. Contractor also verifies that it has not committed a violation of any such law within the five (5) years immediately preceding the date of execution of this Contract, and shall not violate any such law at any time during the term of the Contract. Contractor shall avoid any violation of any such law during the term of this Contract by participating in an electronic verification of work authorization program operated by the United States Department of Homeland Security, by participating in an equivalent federal work authorization program operated by the United States Department of Homeland Security to verify information of newly hired employees, or by some other legally acceptable method. Contractor shall maintain records of each such verification, and shall make them available to the DISTRICT or its representatives for inspection and copy at any time during normal business hours. The DISTRICT shall not be responsible for any costs or expenses related to Contractor's compliance with the requirements provided for or referred to herein.

Employment Eligibility; Subcontractors, Sub-subcontractors and Consultants. To the same extent and under the same conditions as Contractor, Contractor shall require all of its subcontractors, sub-subcontractors and consultants performing any part of the Work or of this Contract to make the same verifications and comply with all requirements and restrictions provided for herein.

Employment Eligibility; Failure to Comply. Each person executing this Contract on behalf of Contractor verifies that he or she is a duly authorized officer of Contractor, and understands that any of the following shall be grounds for the DISTRICT to terminate the Contract for cause: (1) failure of Contractor or its subcontractors, sub-subcontractors or consultants to meet any of the requirements provided for herein; (2) any misrepresentation or material omission concerning compliance with such requirements; or (3) failure to immediately remove from the Work any person found not to be in compliance with such requirements.

ARTICLE 36. DEBARMENT OF CONTRACTORS AND SUBCONTRACTORS

Contractors or subcontractors may not perform work on a public works project with a subcontractor who is ineligible to perform work on a public project pursuant to Labor Code section 1777.1 or 1777.7. Any contract on a public works project entered into between a contractor and a debarred subcontractor is void as a matter of law. A debarred subcontractor may not receive any public money for performing work as a subcontractor on a public works contract. Any public money that is paid, or may have been paid to a debarred subcontractor by a contractor on the project shall be returned to the DISTRICT. The Contractor shall be responsible for the payment of wages to workers of a debarred subcontractor who has been allowed to work on the project.

ARTICLE 37. LABOR/EMPLOYMENT SAFETY

The Contractor shall comply with all applicable laws and regulations of the federal, state, and local government, including Cal/OSHA requirements and requirements for verification of

employees' legal right to work in the United States.

The Contractor shall maintain emergency first aid treatment for his employees which complies with the Federal Occupational Safety and Health Act of 1970 (29 U.S.C. § 651 *et seq.*), and California Code of Regulations, Title 8, Industrial Relations Division 1, Department of Industrial Relations, Chapter 4. The Contractor shall ensure the availability of emergency medical services for its employees in accordance with California Code of Regulations, Title 8, Section 1512.

The Contractor shall submit the Illness and Injury Prevention Program and a Project site specific safety program to the DISTRICT prior to beginning Work at the Project site. Contractor shall maintain a confined space program that meets or exceeds the DISTRICT Standards. Contractor shall adhere to the DISTRICT's lock out tag out program.

ARTICLE 38. INSURANCE

The Contractor shall obtain, and at all times during performance of the Contract, maintain, and for five (5) years thereafter, insurance described in this Article against claims for injuries or death to persons or damages to property, which may arise from or in connection with the performance of the Work hereunder by the Contractor, his agents, representatives, employees, or subcontractors. Contractor shall not commence Work under this Contract until it has provided evidence satisfactory to the DISTRICT that it has secured all insurance required hereunder. Contractor shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the DISTRICT that the subcontractor has secured all insurance required under this Article. Failure to provide and maintain all required insurance shall be grounds for the DISTRICT to terminate this Contract for cause. Contractor shall furnish DISTRICT with original certificates of insurance and endorsements effective coverage required by this Contract on forms satisfactory to the DISTRICT. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms acceptable to the DISTRICT. All certificates and endorsements must be received and approved by the DISTRICT before Work commences.

- A. **Additional Insureds; Waiver of Subrogation.** The DISTRICT, its officials, officers, employees, agents and authorized volunteers shall be named as Additional Insureds on Contractor's All Risk policy and on Contractor's and its subcontractors' policies of Commercial General Liability and Automobile Liability insurance using, for Contractor's policy/ies of Commercial General Liability insurance, ISO CG form 20 10 11 85 or if not available, through the addition of **both** CG 20 10 10 01 and 20 37 10 01 (or endorsements providing the exact same coverage, including completed operations), and, for subcontractors' policies of Commercial General Liability insurance, ISO CG form 20 38 (or endorsements providing the exact same coverage). Notwithstanding the minimum limits set forth in this Contract for any type of insurance coverage, all available insurance proceeds in excess of the specified minimum limits of coverage shall be available to the parties required to be named as Additional Insureds hereunder. Contractor and its insurance carriers shall provide a Waiver of Subrogation in favor of those parties.
- B. **Workers' Compensation Insurance.** The Contractor shall provide workers' compensation insurance for all of the employees engaged in Work under this Contract, on or at the Site, and, in case of any sublet Work, the Contractor shall require the subcontractor similarly to provide workers' compensation insurance for all

the latter's employees as prescribed by the state of California, with Statutory Limits. Any class of employee or employees not covered by a subcontractor's insurance shall be covered by the Contractor's insurance. In case any class of employees engaged in work under this Contract, on or at the Site, is not protected under the Workers' Compensation Statutes, the Contractor shall provide or shall cause a subcontractor to provide, adequate insurance coverage for the protection of such employees not otherwise protected. The Contractor is required to secure payment of compensation to his employees in accordance with the provisions of section 3700 of the Labor Code. The Contractor shall file with the DISTRICT certificates of his insurance protecting workers. Company or companies providing insurance coverage shall be acceptable to the DISTRICT, if in the form and coverage as set forth in the Contract Documents.

- C. **Employer's Liability Insurance.** Contractor shall provide Employer's Liability Insurance, including Occupational Disease, in the amount of at least one million dollars (\$1,000,000.00) per person per accident. Contractor shall provide DISTRICT with a certificate of Employer's Liability Insurance. Such insurance shall comply with the provisions of the Contract Documents. The Contractor hereby agrees to waive rights of subrogation to obtain endorsement necessary to affect this waiver of subrogation in favor of the DISTRICT, its directors, officers, employees, and authorized volunteers, for losses paid under the terms of this coverage which arise from Work performed by the Named Insured for the DISTRICT; this provision applies regardless of whether or not the DISTRICT has received a waiver of subrogation from the insurer.
- D. **Commercial General Liability Insurance.** Contractor shall provide "occurrence" form Commercial General Liability insurance coverage at least as broad as the most current ISO CGL Form 00 01, including but not limited to, premises liability, contractual liability, products/completed operations, personal and advertising injury which may arise from or out of Contractor's operations, use, and management of the Site, or the performance of its obligations hereunder. The policy shall not contain any exclusion contrary to this Contract including but not limited to endorsements or provisions limiting coverage for (1) contractual liability (including but not limited to ISO CG 24 26 or 21 39); or (2) cross-liability for claims or suits against one insured against another. Policy limits shall not be less than \$5,000,000 per occurrence for bodily injury, personal injury and property damage. Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. Defense costs shall be paid in addition to the limits.
1. Such policy shall comply with all the requirements of this Article. The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Contractor from liability in excess of such coverage, nor shall it limit Contractor's indemnification obligations to the DISTRICT, and shall not preclude the DISTRICT from taking such other actions available to the DISTRICT under other provisions of the Contract Documents or law.

2. All general liability policies provided pursuant to the provisions of this Article shall comply with the provisions of the Contract Documents.
 3. All general liability policies shall be written to apply to all bodily injury, including death, property damage, personal injury, owned and non-owned equipment, blanket contractual liability, completed operations liability, explosion, collapse, under-ground excavation, removal of lateral support, and other covered loss, however occasioned, occurring during the policy term, and shall specifically insure the performance by Contractor of that part of the indemnification contained in these General Conditions relating to liability for injury to or death of persons and damage to property.
 4. If the coverage contains one or more aggregate limits, a minimum of 50% of any such aggregate limit must remain available at all times; if over 50% of any aggregate limit has been paid or reserved, the DISTRICT may require additional coverage to be purchased by Contractor to restore the required limits. Contractor may combine primary, umbrella, and as broad as possible excess liability coverage to achieve the total limits indicated above. Any umbrella or excess liability policy shall include the additional insured endorsement described in the Contract Documents.
 5. All policies of general liability insurance shall permit and Contractor does hereby waive any right of subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss.
- E. **Automobile Liability Insurance.** Contractor shall provide “occurrence” form Automobile Liability Insurance at least as broad as ISO CA 00 01 (Any Auto) in the amount of, at least, one million dollars (\$1,000,000) per accident for bodily injury and property damage. Such insurance shall provide coverage with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by Contractor or for which Contractor is responsible, in a form and with insurance companies acceptable to the DISTRICT. All policies of automobile insurance shall permit and Contractor does hereby waive any right of subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss.
- F. **Builder’s Risk [“All Risk”]**
1. It is the Contractor’s responsibility to maintain or cause to be maintained Builder’s Risk [“All Risk”] or an installation floater (for materials and equipment) extended coverage insurance on all work, material, equipment, appliances, tools, and structures that are or will become part of the Work and subject to loss or damage by fire, vandalism and malicious mischief, and collapse, in an amount to cover 100% of the replacement cost. The DISTRICT accepts no responsibility for the Work until the Work is formally accepted by the DISTRICT. The Contractor shall provide a certificate evidencing this coverage before commencing performance of the Work.
 2. The Policy shall be endorsed with DISTRICT, its directors, officers, employees, and authorized volunteers named as loss payee, as their interest may appear.

3. Policy shall be provided for replacement value on an “all risk” basis. There shall be no coinsurance penalty provision in any such policy. Policy must include: (1) coverage for any ensuing loss from faulty workmanship, nonconforming work, omission or deficiency in design or specifications; (2) coverage against machinery accidents and operational testing; (3) coverage for removal of debris, and insuring the buildings, structures, machinery, equipment, materials, facilities, fixtures and all other properties constituting a part of the Project; (4) transit coverage, including ocean marine coverage (unless insured by the supplier), with sub-limits sufficient to insure the full replacement value of any key equipment item; and (5) coverage with sub-limits sufficient to insure the full replacement value of any property or equipment stored either on or off the Site. Such insurance shall be on a form acceptable to DISTRICT to ensure adequacy and sublimit.
4. In addition, the policy shall meet the following requirements:
 - a. Insurance policies shall be so conditioned as to cover the performance of any extra work performed under the Contract.
 - b. Coverage shall include all materials stored on site and in transit.
 - c. Coverage shall include Contractor’s tools and equipment.
 - d. Insurance shall include boiler, machinery and material hoist coverage.
- G. Contractor shall require all tiers of sub-contractors working under this Contract to provide the insurance required under this Article unless otherwise agreed to in writing by DISTRICT. Contractor shall make certain that any and all subcontractors hired by Contractor are insured in accordance with this Contract. If any subcontractor’s coverage does not comply with the foregoing provisions, Contractor shall indemnify and hold the DISTRICT harmless from any damage, loss, cost, or expense, including attorneys’ fees, incurred by the DISTRICT as a result thereof.

ARTICLE 39. FORM AND PROOF OF CARRIAGE OF INSURANCE

- A. Any insurance carrier providing insurance coverage required by the Contract Documents shall be admitted to and authorized to do business in the State of California unless waived, in writing, by the DISTRICT’s Risk Manager. Carrier(s) shall have an A.M. Best rating of not less than an A:VII. Insurance deductibles or self-insured retentions must be declared by the Contractor. At the election of the DISTRICT the Contractor shall either 1) reduce or eliminate such deductibles or self-insured retentions, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses. If umbrella or excess liability coverage is used to meet any required limit(s) specified herein, the Contractor shall provide a “follow form” endorsement satisfactory to the DISTRICT indicating that such coverage is subject to the same terms and conditions as the underlying liability policy.
- B. Each insurance policy required by this Contract shall be endorsed to state that: (1) coverage shall not be suspended, voided, reduced or cancelled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been

given to the DISTRICT; and (2) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the DISTRICT, its officials, officers, agents, employees, and volunteers. When any of the required coverages expire during the term of this agreement, the Contractor shall deliver the renewal certificate(s) including the general liability additional insured endorsement and evidence of waiver of rights of subrogation against Member Water Agency (if builder's risk insurance is applicable) to Member Water Agency at least ten (10) days prior to the expiration date.

- C. The Certificate(s) and policies of insurance shall contain or shall be endorsed to contain the covenant of the insurance carrier(s) that it shall provide no less than thirty (30) days written notice be given to the DISTRICT prior to any material modification or cancellation of such insurance. In the event of a material modification or cancellation of coverage, the DISTRICT may terminate the Contract or stop the Work in accordance with the Contract Documents, unless the DISTRICT receives, at least ten (10) days prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. Contractor shall not take possession, or use the Site, or commence operations under this Contract until the DISTRICT has been furnished original Certificate(s) of Insurance and certified original copies of endorsements or policies of insurance including all endorsements and any and all other attachments as required in this Article. The original endorsements for each policy and the Certificate of Insurance shall be signed by an individual authorized by the insurance carrier to do so on its behalf.
- D. For any claims related to this Project, the Contractor's insurance coverage shall be primary at least as broad as ISO CG 20 01 04 13 as respects to the DISTRICT, its directors, officers, employees, and authorized volunteers. Any insurance or self-insurance maintained by the DISTRICT, its directors, officers, employees, and authorized volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
- E. DISTRICT reserves the right to adjust the monetary limits of insurance coverages during the term of this Contract including any extension thereof if, in the DISTRICT's reasonable judgment, the amount or type of insurance carried by the Contractor becomes inadequate.
- F. Contractor shall report to the DISTRICT, in addition to the Contractor's insurer, any and all insurance claims submitted by the Contractor in connection with the Work under this Contract.

ARTICLE 40. TIME FOR COMPLETION AND LIQUIDATED DAMAGES

- A. **Time for Completion/Liquidated Damages.** Time is of the essence in the completion of the Work. Work shall be commenced within ten (10) Days of the date stated in the DISTRICT's Notice to Proceed and shall be completed by Contractor in the time specified in the Contract Documents. The DISTRICT is under no obligation to consider early completion of the Project; and the Contract completion date shall not be amended by the DISTRICT's receipt or acceptance of the Contractor's

proposed earlier completion date. Furthermore, Contractor shall not, under any circumstances, receive additional compensation from the DISTRICT (including but not limited to indirect, general, administrative or other forms of overhead costs) for the period between the time of earlier completion proposed by the Contractor and the Contract completion date. If the Work is not completed as stated in the Contract Documents, it is understood that the DISTRICT will suffer damage. In accordance with Government Code section 53069.85, being impractical and infeasible to determine the amount of actual damage, it is agreed that Contractor shall pay to the DISTRICT as fixed and liquidated damages, and not as a penalty, the sum stipulated in the Contract for each calendar day of delay until the Work is fully completed. Contractor and its surety shall be liable for any liquidated damages. Any money due or to become due the Contractor may be retained to cover liquidated damages.

- B. **Inclement Weather.** Contractor shall abide by the Engineer's determination of what constitutes inclement weather. Time extensions for inclement weather shall only be granted when the Work stopped during inclement weather is on the critical path of the Project schedule.
- C. **Extension of Time.** Contractor shall not be charged liquidated damages because of any delays in completion of the Work due to unforeseeable causes beyond the control and without the fault or negligence of Contractor (or its subcontractors or suppliers). Contractor shall within five (5) Days of identifying any such delay notify the DISTRICT in writing of causes of delay. The DISTRICT shall ascertain the facts and extent of delay and grant extension of time for completing the Work when, in its judgment, the facts justify such an extension. Time extensions to the Project shall be requested by the Contractor as they occur and without delay. No delay claims shall be permitted unless the event or occurrence delays the completion of the Project beyond the Contract completion date.
- D. **No Damages for Reasonable Delay.** The DISTRICT's liability to Contractor for delays for which the DISTRICT is responsible shall be limited to only an extension of time unless such delays were unreasonable under the circumstances. In no case shall the DISTRICT be liable for any costs which are borne by the Contractor in the regular course of business, including, but not limited to, home office overhead and other ongoing costs. Damages caused by unreasonable DISTRICT delay, including delays caused by items that are the responsibility of the DISTRICT pursuant to Government Code section 4215, shall be based on actual costs only, no proportions or formulas shall be used to calculate any delay damages.

ARTICLE 41. COST BREAKDOWN AND PERIODIC ESTIMATES

Contractor shall furnish on forms Approved by the DISTRICT:

- A. Within ten (10) Days of Notice to Proceed with the Contract, a detailed estimate giving a complete breakdown of the Contract price, if the Contract amount is a lump sum.
- B. A monthly itemized estimate of Work done for the purpose of making progress payments. In order for the DISTRICT to consider and evaluate each progress payment application, the Contractor shall submit a detailed measurement of Work

performed and a progress estimate of the value thereof before the tenth (10th) Day of the following month.

- C. Contractor shall submit, with each of its payment requests, an adjusted list of actual quantities, verified by the Engineer, for unit price items listed, if any, in the Bid Form.
- D. Following the DISTRICT's Acceptance of the Work, the Contractor shall submit to the DISTRICT a written statement of the final quantities of unit price items for inclusion in the final payment request.
- E. The DISTRICT shall have the right to adjust any estimate of quantity and to subsequently correct any error made in any estimate for payment.

Contractor shall certify under penalty of perjury, that all cost breakdowns and periodic estimates accurately reflect the Work on the Project.

ARTICLE 42. PROGRESS ESTIMATES AND PAYMENT

- A. By the tenth (10th) Day of the following calendar month, Contractor shall submit to Engineer a payment request which shall set forth in detail the value of the Work done for the period beginning with the date work was first commenced and ending on the end of the calendar month for which the payment request is prepared. Contractor shall include any amount earned for authorized extra work. From the total thus computed, a deduction shall be made in the amount of five percent (5%) for retention, except where the DISTRICT has adopted a finding that the Work done under the Contract is substantially complex, and then the amount withheld as retention shall be the percentage specified in the Notice Inviting Bids. From the remainder a further deduction may be made in accordance with Section B below. The amount computed, less the amount withheld for retention and any amounts withheld as set forth below, shall be the amount of the Contractor's payment request.
- B. The DISTRICT may withhold a sufficient amount or amounts of any payment or payments otherwise due to Contractor, as in his judgment may be necessary to cover:
 - 1. Payments which may be past due and payable for just claims against Contractor or any subcontractors for labor or materials furnished in and about the performance of work on the Project under this Contract.
 - 2. Defective work not remedied.
 - 3. Failure of Contractor to make proper payments to his subcontractor or for material or labor.
 - 4. Completion of the Contract if there is a reasonable doubt that the Work can be completed for balance then unpaid.
 - 5. Damage to another contractor or a third party.
 - 6. Amounts which may be due the DISTRICT for claims against Contractor.

7. Failure of Contractor to keep the record (“as-built”) drawings up to date.
 8. Failure to provide update on construction schedule as required herein.
 9. Site cleanup.
 10. Failure to comply with Contract Documents.
 11. Liquidated damages.
 12. Legally permitted penalties.
- C. The DISTRICT may apply such withheld amount or amounts to payment of such claims or obligations at its discretion with the exception of subsections (B)(1), (3), and (5) of this Article, which must be retained or applied in accordance with applicable law. In so doing, the DISTRICT shall be deemed the agent of Contractor and any payment so made by the DISTRICT shall be considered as a payment made under contract by the DISTRICT to Contractor and the DISTRICT shall not be liable to Contractor for such payments made in good faith. Such payments may be made without prior judicial determination of claim or obligations. The DISTRICT will render Contractor a proper accounting of such funds disbursed on behalf of Contractor.
- D. Upon receipt, the Engineer shall review the payment request to determine whether it is undisputed and suitable for payment. If the payment request is determined to be unsuitable for payment, it shall be returned to Contractor as soon as practicable but not later than seven (7) Days after receipt, accompanied by a document setting forth in writing the reasons why the payment request is not proper. The DISTRICT shall make the progress payment within 30 calendar days after the receipt of an undisputed and properly submitted payment request from Contractor, provided that a release of liens and claims has been received from the Contractor pursuant to Civil Code section 8132. The number of days available to the DISTRICT to make a payment without incurring interest pursuant to this paragraph shall be reduced by the number of days by which the Engineer exceeds the seven (7) Day requirement.
- E. A payment request shall be considered properly executed if funds are available for payment of the payment request and payment is not delayed due to an audit inquiry by the financial officer of the DISTRICT.

ARTICLE 43. SECURITIES FOR MONEY WITHHELD

Pursuant to section 22300 of the Public Contract Code of the State of California, Contractor may request the DISTRICT to make retention payments directly to an escrow agent or may substitute securities for any money withheld by the DISTRICT to ensure performance under the contract. At the request and expense of Contractor, securities equivalent to the amount withheld shall be deposited with the DISTRICT or with a state or federally chartered bank as the escrow agent who shall return such securities to Contractor upon satisfactory completion of the contract. Deposit of securities with an escrow agent shall be subject to a written agreement substantially in the form provided in section 22300 of the Public Contract Code.

ARTICLE 44. CHANGES AND EXTRA WORK.

A. Contract Change Orders.

1. The DISTRICT, without invalidating the Contract, may order changes in the Work consisting of additions, deletions or other revisions, and the Contract Price and Contract Time shall be adjusted accordingly. Except as otherwise provided herein, all such changes in the Work shall be authorized by Change Order, and shall be performed under the applicable conditions of the Contract Documents. A Change Order signed by the Contractor indicates the Contractor's agreement therewith, including any adjustment in the Contract Price or the Contract Time, and the full and final settlement of all costs (direct, indirect and overhead) related to the Work authorized by the Change Order.
2. Contractor shall promptly execute changes in the Work as directed in writing by the DISTRICT even when the parties have not reached agreement on whether the change increases the scope of Work or affects the Contract Price or Contract Time. All claims for additional compensation to the Contractor shall be presented in writing. No claim will be considered after the Work in question has been done unless a written Change Order has been issued or a timely written notice of claim has been made by Contractor.
3. Whenever any change is made as provided for herein, such change shall be considered and treated as though originally included in the Contract, and shall be subject to all terms, conditions, and provisions of the original Contract.
4. Contractor shall not be entitled to claim or bring suit for damages, whether for loss of profits or otherwise, on account of any decrease or omission of any item or portion of Work to be done.
5. No dispute, disagreement, or failure of the parties to reach agreement on the terms of the Change Order shall relieve the Contractor from the obligation to proceed with performance of the work, including Additional Work, promptly and expeditiously.
6. Contractor shall make available to the DISTRICT any of the Contractor's documents related to the Project immediately upon request of the DISTRICT, as set forth in Article 52.
7. Any alterations, extensions of time, Additional Work, or any other changes may be made without securing consent of the Contractor's surety or sureties.

B. Contract Price Change.

1. Process for Determining Adjustments in Contract Price.
 - a. Owner Initiated Change. The Contractor must submit a complete cost proposal, including any change in the Contract Price or Contract Time, within seven (7) Days after receipt of a scope of a proposed change order initiated by the DISTRICT, unless the DISTRICT requests that proposals be submitted in less than seven (7) Days.

- b. Contractor Initiated Change. The Contractor must give written notice of a proposed change order required for compliance with the Contract Documents within seven (7) Days of discovery of the facts giving rise to the proposed change order.
 - c. Whenever possible, any changes to the Contract amount shall be in a lump sum mutually agreed to by the Contractor and the DISTRICT.
 - d. Price quotations from the Contractor shall be accompanied by sufficiently detailed supporting documentation to permit verification by the DISTRICT, including but not limited to estimates and quotations from subcontractors or material suppliers, as the DISTRICT may reasonably request. Contractor shall certify the accuracy of all Change Order Requests under penalty of perjury.
 - e. If the Contractor fails to submit a complete cost proposal within the seven (7) Day period (or as requested), the DISTRICT has the right to order the Contractor in writing to commence the Work immediately on a time and materials basis and/or issue a lump sum change to the Contract Price and/or Contract Time in accordance with the DISTRICT's estimate. If the change is issued based on the DISTRICT's estimate, the Contractor will waive its right to dispute the action unless within fifteen (15) Days following completion of the added/deleted work, the Contractor presents written proof that the DISTRICT's estimate was in error.
2. Unit Price Change Orders.
- a. When the actual quantity of a Unit Price item varies from the Bid Form, compensation for the change in quantity will be calculated by multiplying the actual quantity by the Unit Price. This calculation may result in either an additive or deductive Final Change Order pursuant to the Contract Documents.
 - b. No Mark up for Overhead and Profit. Because the Contract Unit Prices provided in the Bid Form include Overhead and Profit as determined by Contractor at the time of Bid submission, no mark up or deduction for Overhead and Profit will be included in Unit Price Change Orders.
 - c. Bid items included on the Bid Form may be deducted from the Work in their entirety without any negotiated extra costs.
 - d. Contractor acknowledges that unit quantities are estimates and agrees that the estimated unit quantities listed on the Bid Form will be adjusted to reflect the actual unit quantities which may result in an adjustment to the Contract Unit Prices. Such an adjustment will be made by execution of a final additive or deductive Change Order following Contractor's completion of the Work. Upon notification, Contractor's failure to respond within seven (7) Days will result in DISTRICT's issuance of a unit quantity adjustment to the Contract Unit Prices and/or Contract Time in accordance with the Contract Documents.

- e. The DISTRICT or Contractor may make a Claim for an adjustment in the Unit Price in accordance with the Contract Documents if:
 - i. the quantity of any item of Unit Price Work performed by Contractor differs by twenty-five percent (25%) or more from the estimated quantity of such item indicated in the Contract; and
 - ii. there is no corresponding adjustment with respect to any other item of Work; and
 - iii. Contractor believes that Contractor is entitled to an increase in Unit Price as a result of having incurred additional expense or the DISTRICT believes that the DISTRICT is entitled to a decrease in Unit Price and the parties are unable to agree as to the amount of any such increase or decrease..
- 3. Lump Sum Change Orders. Contractor shall incorporate the provisions of this Section into all agreements with Subcontractors. Compensation for Lump Sum Change Orders shall be limited to expenditures necessitated specifically by the Additional Work, and shall be according to the following:
 - a. Overview. The Contractor will submit a properly itemized Lump Sum Change Order Proposal covering the Additional Work and/or the work to be deleted. This proposal will be itemized for the various components of the Additional Work and segregated by labor, material, and equipment in a detailed format satisfactory to the DISTRICT. The DISTRICT will require itemized change orders on all change order proposals from the Contractor, subcontractors, and sub-subcontractors regardless of tier. Details to be submitted will include detailed line item estimates showing detailed materials quantity take-offs, material prices by item and related labor hour pricing information and extensions (by line item or by drawing as applicable).
 - b. Labor. The costs of labor will be the actual cost for wages prevailing locally for each craft or type of worker at the time the Additional Work is done, plus employer payments of payroll taxes and insurance, health and welfare, pension, vacation, apprenticeship funds, and other direct costs resulting from Federal, State or local laws, as well as assessment or benefits required by lawful collective bargaining agreements. The use of a labor classification which would increase the Additional Work cost will not be permitted unless the Contractor establishes the necessity for such new classifications. Labor costs for equipment operators and helpers shall be reported only when such costs are not included in the invoice for equipment rental.

Estimated labor hours must only include hours for those workmen and working foremen directly involved in performing the change order work. Supervision above the level of working foremen (such as general foremen, superintendent, project manager, etc.) is considered to be included in the markup percentages as outlined below. Note that no separate allowances for warranty expense will be allowed as a direct cost of a change order. Costs attributed to warranty expenses will be considered to be covered by the markup.

- c. Labor Burden. Labor burden allowable in change orders shall be defined as employer's net actual cost of payroll taxes (FICA, Medicare, SUTA, FUTA), net actual cost for employer's cost of union benefits (or other usual and customary fringe benefits if the employees are not union employees), and net actual cost to employer for worker's compensation insurance taking into consideration adjustments for experience modifiers, premium discounts, dividends, rebates, expense constants, assigned risk pool costs, net cost reductions due to policies with deductibles for self-insured losses, assigned risk rebates, etc. Contractor shall reduce their standard payroll tax percentages to properly reflect the effective cost reduction due to the estimated impact of the annual maximum wages subject to payroll taxes. An estimated percentage for labor burden may be used for pricing change orders. However, the percentage used for labor burden to price change orders will be examined at the conclusion of the Project and an adjustment to the approved change orders will be processed if it is determined that the actual labor burden percentage should have been more or less than the estimated percentage used.
- d. Materials. The cost of materials reported shall be at invoice or lowest current price at which such materials are locally available in the quantities involved, plus sales tax, freight, and delivery. Materials costs shall be based upon supplier or manufacturer's invoice. If invoices or other satisfactory evidence of cost are not furnished within fifteen (15) Days of delivery, then the DISTRICT shall determine the materials cost, at its sole discretion. Estimated material change order costs shall reflect the Contractor's reasonably anticipated net actual cost for the purchase of the material needed for the change order work. Estimated material costs shall reflect cost reductions available to the Contractor due to "non-cash" discounts, trade discounts, free material credits, and/or volume rebates. "Cash" discounts (i.e., prompt payment discounts of 2% or less) available on material purchased for change order work shall be credited to the DISTRICT if the Contractor is provided the DISTRICT funds in time for Contractor to take advantage of any such "cash" discounts. The portion of any "cash" discounts greater than 2% will not be considered "non-cash" discount for purposes of this provision. Price quotations from material suppliers must be itemized with unit prices for each specific item to be purchased. "Lot pricing" quotations will not be considered sufficient substantiating detail.
- e. Tool and Equipment Use. Costs for the use of small tools, which are tools that have a replacement value of \$1,000 or less, shall be considered included in the Overhead and Profit mark-ups established below. Allowable change order estimated costs may include appropriate amounts for rental of major equipment specifically needed to perform the change order work (defined as tools and equipment with an individual purchase cost of more than \$750). For Contractor owned equipment, the "bare" equipment rental rates allowed to be used for pricing change order proposals shall be 75% of the monthly rate listed in the most current publication of The AED Green Book divided by 176 to arrive at a maximum hourly rate to be applied to the hours the equipment is used performing the change order work. Further, for Contractor owned equipment, the aggregate equipment rent charges for any single piece of equipment used in all change order work shall be limited to 50% of the fair

market value of the piece of equipment when the first change order is priced involving usage of the piece of equipment. Fuel necessary to operate the equipment will be considered as a separate direct cost associated with the change order work.

- f. Maximum Markup Percentage Allowable on Self-Performed Work. With respect to pricing change orders, the maximum markup percentage to be paid to any Contractor or subcontractor (regardless of tier) on self-performed work shall be a single markup percentage not-to-exceed fifteen percent (15%) of the net direct cost of (1) direct labor and allowable labor burden costs applicable to the change in the Work; (2) the net cost of material and installed equipment incorporated into the change in the Work, and (3) net rental cost of major equipment and related fuel costs necessary to complete the change in the Work. The markup computed using the above formula shall be considered to be allocated 2/3 to cover applicable overhead costs directly attributable to the field overhead costs related to processing, supervising and performing, the change order work, and the remaining 1/3 to cover home office overhead costs and profit
- g. Maximum Markup Percentages Allowable on Work Performed by Lower Tier Subcontractors. With respect to pricing the portion of change order proposals involving Work performed by lower tier contractors, the maximum markup percentage allowable to the Contractor or subcontractor supervising the lower tier subcontractor's work shall not exceed five percent (5%) of the net of all approved change order work performed by all subcontractors combined for any particular change order proposal. The markup computed using the above formula shall be considered to be allocated 2/3 to cover applicable overhead costs directly attributable to the field overhead costs related to processing, supervising and performing the change order work, and the remaining 1/3 to cover home office overhead costs and profit.
- h. No Markup on Bonds and Liability Insurance Costs. Change order cost adjustments due to increases or decreases in bond or insurance costs (if applicable) shall not be subject to any markup.
- i. Direct and Indirect Costs Covered by Markup Percentages. As a further clarification, the agreed upon markup percentage set forth above is intended to cover the Contractor's profit and all indirect costs associated with the change order work. Items intended to be covered by the markup percentage include, but are not limited to: home office expenses, branch office and field office overhead expense of any kind, project management, superintendents, general foremen, estimating, engineering, coordinating, expediting, purchasing, detailing, legal, accounting, data processing or other administrative expenses, shop drawings, permits, auto insurance and umbrella insurance, pick-up truck costs, and warranty expense costs. The cost for the use of small tools is also to be considered covered by the markup percentage established above. Small tools shall be defined as tools and equipment (power or non-power) with an individual purchase cost of less than \$750.

- j. Deduct Change Orders and Net Deduct Changes. The application of the markup percentages referenced above will apply to both additive and deductive change orders. In the case of a deductive change order, the credit will be computed by applying the sliding scale percentages as outlined above so that a deductive change order would be computed in the same manner as an additive change order. In those instances where a change involves both additive and deductive work, the additions and deductions will be netted and the markup percentage adjustments will be applied to the net amount.
 - k. Contingency. In no event will any lump sum or percentage amounts for "contingency" be allowed to be added as a separate line item in change order estimates. Unknowns attributable to labor hours will be accounted for when estimating labor hours anticipated performing the work. Unknowns attributable to material scrap and waste will be estimated as part of material costs.
 - l. Insurance and Bonds. In the event the Contractor has been required to furnish insurance and/or bonds as part of the base contract price, a final contract change order will be processed to account for the Contractor's net increase or decrease in insurance costs and/or bond premium costs associated with change orders to Contractor's base Contract Price
4. Time and Materials Change Orders.
- a. General. The term Time and Materials means the sum of all costs reasonably and necessarily incurred and paid by Contractor for labor, materials, and equipment in the proper performance of Additional Work. Except as otherwise may be agreed to in writing by the DISTRICT, such costs shall be in amounts no higher than those prevailing in the locality of the Project, and shall include only the following items.
 - b. Timely and Final Documentation.
 - i. T&M Daily Sheets. Contractor must submit timesheets, materials invoices, records of equipment hours, and records of rental equipment hours to the DISTRICT's Representative for an approval signature **each day** Additional Work is performed. Failure to get the DISTRICT's Representative's approval signature each Day shall result in a waiver of Contractor's right to claim these costs. The DISTRICT's Representative's signature on time sheets only serves as verification that the Work was performed and is not indicative of DISTRICT's agreement to Contractor's entitlement to the cost.
 - ii. T&M Daily Summary Sheets. All documentation of incurred costs ("T&M Daily Summary Sheets") shall be submitted by Contractor within **three (3) Days** of incurring the cost for labor, material, equipment, and special services as Additional Work is performed. Contractor's actual costs shall be presented in a summary table in an electronic spreadsheet file by labor, material, equipment, and special services. Each T&M Daily Summary Sheet shall include Contractor's actual costs incurred for the Additional Work performed that day and a cumulative total of Contractor's

actual costs incurred for the Additional Work. Contractor's failure to provide a T&M Daily Summary Sheet showing a total cost summary within three (3) Days but within five (5) Days of performance of the Work will result in the Contractor's otherwise allowable overhead and profit being reduced by 50% for that portion of Additional Work which was not documented in a timely manner. Contractor's failure to submit the T&M Daily Summary Sheet within five (5) Days of performance of the Work will result in a total waiver of Contractor's right to claim these costs.

- iii. T&M Total Cost Summary Sheet. Contractor shall submit a T&M Total Cost Summary Sheet, which shall include total actual costs, within **seven (7) Days** following completion of DISTRICT approved Additional Work. Contractor's total actual cost shall be presented in a summary table in an electronic spreadsheet file by labor, material, equipment, and special services. Contractor's failure to submit the T&M Total Cost Summary Sheet within seven (7) Days of completion of the Additional Work will result in Contractor's waiver for any reimbursement of any costs associated with the T&M Summary Sheets or the performance of the Additional Work.

- c. Labor. The Contractor will be paid the cost of labor for the workers used in the actual and direct performance of the Work. The cost of labor will be the sum of the actual wages paid (which shall include any employer payments to or on behalf of the workers for health and welfare, pension, vacation, and similar purposes) substantiated by timesheets and certified payroll for wages prevailing for each craft or type of workers performing the Additional Work at the time the Additional Work is done, and the labor surcharge set forth in the Department of Transportation publication entitled *Labor Surcharge and Equipment Rental Rates*, which is in effect on the date upon which the Work is accomplished and which is a part of the Contract. The labor surcharge shall constitute full compensation for all payments imposed by Federal, State, or local laws and for all other payments made to, or on behalf of, the workers, other than actual wages.
 - i. Equipment Operator Exception. Labor costs for equipment operators and helpers shall be paid only when such costs are not included in the invoice for equipment rental.
 - ii. Foreman Exception. The labor costs for foremen shall be proportioned to all of their assigned work and only that applicable to the Additional Work shall be paid. Indirect labor costs, including, without limitation, the superintendent, project manager, and other labor identified in the Contract Documents will be considered Overhead.

- d. Materials. The cost of materials reported shall be itemized at invoice or lowest current price at which materials are locally available and delivered to the Project site in the quantities involved, plus the cost of sales tax, freight, delivery, and storage.

- i. Trade discounts available to the purchaser shall be credited to the DISTRICT notwithstanding the fact that such discounts may not have been taken by Contractor.
 - ii. For materials secured by other than a direct purchase and direct billing to the purchaser, the cost shall be deemed to be the price paid to the actual supplier as determined by the DISTRICT's Representative.
 - iii. Payment for materials from sources owned wholly or in part by the purchaser shall not exceed the price paid by the purchaser for similar materials from said sources on Additional Work items or the current wholesale price for such materials delivered to the Project site, whichever price is lower.
 - iv. If, in the opinion of the DISTRICT's Representative, the cost of materials is excessive, or Contractor does not furnish satisfactory evidence of the cost of such materials, then the cost shall be deemed to be the lowest current wholesale price for the total quantity concerned delivered to the Project site less trade discounts.
 - v. The DISTRICT reserves the right to furnish materials for the Additional Work and no Claim shall be allowed by Contractor for costs of such materials or Indirect Costs or profit on DISTRICT furnished materials.
- e. Equipment.
- i. Rental Time. The rental time to be paid for equipment on the Project site shall be the time the equipment is in productive operation on the Additional Work being performed and, in addition, shall include the time required to move the equipment to the location of the Additional Work and return it to the original location or to another location requiring no more time than that required to return it to its original location; except that moving time will not be paid if the equipment is used on other than the Additional Work, even though located at the site of the Additional Work.
 - (a) Rental Time Not Allowed. Rental time will not be allowed while equipment is inoperative due to breakdowns.
 - (b) Computation Method. The following shall be used in computing the rental time of equipment on the Project site.
 - (i) When hourly rates are paid, any part of an hour less than 30 minutes of operation shall be considered to be 1/2-hour of operation, and any part of an hour in excess of 30 minutes will be considered one hour of operation.
 - (ii) When daily rates are paid, any part of a day less than 4 hours operation shall be considered to be 1/2-day of operation, and any part of an hour in excess of 4 hours will be considered one day of operation.

- ii. Rental Rates. Contractor will be paid for the use of equipment at the lesser of (i) the actual rental rate, or (ii) the rental rate listed for that equipment in the California Department of Transportation publication entitled *Labor Surcharge and Equipment Rental Rates*, which is in effect on the date upon which the Contract was executed. Such rental rates will be used to compute payments for equipment whether the equipment is under Contractor's control through direct ownership, leasing, renting, or another method of acquisition. The rental rate to be applied for use of each item of equipment shall be the rate (i.e., daily, monthly) resulting in the least total cost to the DISTRICT for the total period of use. If it is deemed necessary by Contractor to use equipment not listed in the publication, an equitable rental rate for the equipment will be established by the DISTRICT's Representative. Contractor may furnish cost data which might assist the DISTRICT's Representative in the establishment of the rental rate.
- iii. Contractor-Owned Equipment.
 - (a) For Contractor-owned equipment, the allowed equipment rental rate will be limited to the monthly equipment rental rate using a utilization rate of 173 hours per month.
 - (b) For Contractor-owned equipment, the rental time to be paid for equipment on the Site shall be the time the equipment is in productive operation, unless, in the instance of standby time, the equipment could be actively used by Contractor on another project, then DISTRICT shall pay for the entirety of the time the equipment is on Site. It shall be Contractor's burden to demonstrate to the DISTRICT that the equipment could be actively used on another project.
- iv. All equipment shall, in the opinion of the DISTRICT's Representative, be in good working condition and suitable for the purpose for which the equipment is to be used.
- v. Before construction equipment is used on the Additional Work, Contractor shall plainly stencil or stamp an identifying number thereon at a conspicuous location, and shall furnish to the DISTRICT's Representative, in duplicate, a description of the equipment and its identifying number and the scheduled Additional Work activities planned.
- vi. Unless otherwise specified, manufacturer's rating and manufacturer approved modifications shall be used to classify equipment for the determination of applicable rental rates. Equipment which has no direct power unit shall be powered by a unit of at least the minimum rating recommended by the manufacturer.
- f. Special Services. Special work or services are defined as that Additional Work characterized by extraordinary complexity, sophistication, or innovation or a combination of the foregoing attributes which are unique to the construction industry.

- i. Invoices for Special Services. When the DISTRICT's Representative and Contractor determine that a special service is required which cannot be performed by the forces of Contractor or those of any of its Subcontractors, the special service may be performed by an entity especially skilled in the Additional Work. Invoices for special services based upon the current fair market value thereof may be accepted without complete itemization of labor, material, and equipment rental costs, after validation of market values by the DISTRICT's Representative.
 - ii. Discount and Allowance. All invoices for special services will be adjusted by deducting all trade discounts offered or available, whether the discounts were taken or not. In lieu of Overhead and Profit specified herein, a total allowance not to exceed fifteen percent (15%) for Overhead and Profit will be added to invoices for Special Services.
 - iii. When the DISTRICT determines, in its sole discretion, that competitive bidding is necessary for certain special services, Contractor shall solicit competitive bids for those special services.
- g. Excluded Costs. The term Time and Material shall not include any of the following costs or any other home or field office overhead costs, all of which are to be considered administrative costs covered by Contractor's allowance for Overhead and Profit.
- i. Overhead Cost. Payroll costs and other compensation of Contractor's officers, executives, principals, general managers, engineers, architects, estimators, attorneys, auditors, accountants, purchasing and contracting agents, timekeepers, clerks, and other personnel employed by Contractor whether at the Site or in Contractor's principal office or any branch office, material yard, or shop for general administration of the Additional Work;
 - ii. Office Expenses. Expenses of Contractor's principal and branch offices;
 - iii. Capital Expenses. Any part of Contractor's capital expenses, including interest on Contractor's capital employed for the Additional Work and charges against Contractor for delinquent payments;
 - iv. Negligence. Costs due to the negligence of Contractor or any Subcontractor or Supplier, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, including without limitation the correction of Defective Work, disposal of materials or equipment wrongly supplied, and making good any damage to property;
 - v. Other. Other overhead or general expense costs of any kind and the cost of any item not specifically and expressly included in the Contract Documents;
 - vi. Small Tools. Cost of small tools valued at less than \$1,000 and that remain the property of Contractor;

- vii. Administrative Costs. Costs associated with the preparation of Change Orders (whether or not ultimately authorized), cost estimates, or the preparation or filing of Claims;
 - viii. Anticipated Lost Profits. Expenses of Contractor associated with anticipated lost profits or lost revenues, lost income or earnings, lost interest on earnings, or unpaid retention;
 - ix. Home Office Overhead. Costs derived from the computation of a “home office overhead” rate by application of the *Eichleay, Allegheny*, burden fluctuation, or other similar methods;
 - x. Special Consultants and Attorneys. Costs of special consultants or attorneys, whether or not in the direct employ of Contractor, employed for services specifically related to the resolution of a Claim, dispute, or other matter arising out of or relating to the performance of the Additional Work.
- h. Overhead, Profit and Other Charges. The mark-up for overhead (including supervision) and profit on work added to the Contract shall be according to the following:
- i. “Net Cost” is defined as consisting of costs of labor, materials, and tools and equipment only excluding overhead and profit. The costs of applicable insurance and bond premium will be reimbursed to the Contractor and subcontractors at cost only, without mark-up. Contractor shall provide DISTRICT with documentation of the costs, including, but not limited to, payroll records, invoices, and such other information as DISTRICT may reasonably request.
 - ii. For Work performed by the Contractor’s forces, the added cost for overhead and profit shall not exceed fifteen percent (15%) of the Net Cost of the Work.
 - iii. For Work performed by a subcontractor, the added cost for overhead and profit shall not exceed fifteen percent (15%) of the subcontractor’s Net Cost of the Work to which the Contractor may add five percent (5%) of the subcontractor’s Net Cost.
 - iv. For Work performed by a sub-subcontractor, the added cost for overhead and profit shall not exceed fifteen percent (15%) of the sub-subcontractor’s Net Cost for Work to which the subcontractor and general contractor may each add an additional five percent (5%) of the Net Cost of the lower tier subcontractor.
 - v. No additional mark-up will be allowed for lower tier subcontractors, and in no case shall the added cost for overhead and profit payable by DISTRICT exceed twenty-five percent (25%) of the Net Cost as defined herein, of the party that performs the Work.
5. All of the following costs are included in the markups for overhead and profit described above, and Contractor shall not receive any additional compensation

for: Submittals, drawings, field drawings, Shop Drawings, including submissions of drawings; field inspection; General Superintendence; General administration and preparation of cost proposals, schedule analysis, Change Orders, and other supporting documentation; computer services; reproduction services; Salaries of project engineer, superintendent, timekeeper, storekeeper, and secretaries; Janitorial services; Small tools, incidentals and consumables; Temporary On-Site facilities (Offices, Telephones, High Speed Internet Access, Plumbing, Electrical Power, Lighting; Platforms, Fencing, Water), Jobsite and Home office overhead or other expenses; vehicles and fuel used for work otherwise included in the Contract Documents; Surveying; Estimating; Protection of Work; Handling and disposal fees; Final Cleanup; Other Incidental Work; Related Warranties; insurance and bond premiums.

6. For added or deducted Work by subcontractors, the Contractor shall furnish to the DISTRICT the subcontractor's signed detailed record of the cost of labor, material and equipment, including the subcontractor markup for overhead and profit. The same requirement shall apply to sub-subcontractors
7. For added or deducted work furnished by a vendor or supplier, the Contractor shall furnish to the DISTRICT a detailed record of the cost to the Contractor, signed by such vendor or supplier.
8. Any change in the Work involving both additions and deletions shall indicate a net total cost, including subcontracts and materials. Allowance for overhead and profit, as specified herein, shall be applied if the net total cost is an increase in the Contract Price; overhead and profit allowances shall not be applied if the net total cost is a deduction to the Contract Price. The estimated cost of deductions shall be based on labor and material prices on the date the Contract was executed.
9. Contractor shall not reserve a right to assert impact costs, extended job site costs, extended overhead, constructive acceleration and/or actual acceleration beyond what is stated in the Change Order for Work. No claims shall be allowed for impact, extended overhead costs, constructive acceleration and/or actual acceleration due to a multiplicity of changes and/or clarifications. The Contractor may not change or modify the DISTRICT's change order form in an attempt to reserve additional rights.
10. If the DISTRICT disagrees with the proposal submitted by Contractor, it will notify the Contractor and the DISTRICT will provide its opinion of the appropriate price and/or time extension. If the Contractor agrees with the DISTRICT, a Change Order will be issued by the DISTRICT. If no agreement can be reached, the DISTRICT shall have the right to issue a unilateral Change Order setting forth its determination of the reasonable additions or savings in costs and time attributable to the extra or deleted work. Such determination shall become final and binding if the Contractor fails to submit a claim in writing to the DISTRICT within fifteen (15) Days of the issuance of the unilateral Change Order, disputing the terms of the unilateral Change Order, and providing such supporting documentation for its position as the DISTRICT may require.

C. Change of Contract Times.

1. The Contract Times may only be changed by a Change Order.
2. All changes in the Contract Price and/or adjustments to the Contract Times related to each change shall be included in Contractor's COR pursuant to this Article. No cost or time will be allowed for cumulative effects of multiple changes. All Change Orders must state that the Contract Time is not changed or is either increased or decreased by a specific number of days. Failure to include a change to time shall waive any change to the time unless the parties mutually agree in writing to postpone a determination of the change to time resulting from the Change Order.
3. Notice of the amount of the request for adjustment in the Contract Times with supporting data shall be delivered within seven (7) Days after such start of occurrence, unless DISTRICT's Representative allows an additional period of time to ascertain more accurate data in support of the request. No extension of time or additional compensation shall be given for a delay if the Contractor failed to give notice in the manner and within the time prescribed.
4. DISTRICT may elect, at DISTRICT's sole discretion, to grant an extension in Contract Times, without Contractor's request, because of delays or other factors.
5. Use of Float and Critical Path.
 - a. Float is for the benefit of the Project. Float shall not be considered for the exclusive use or benefit of either the DISTRICT or the Contractor.
 - b. Contractor shall not be entitled to compensation, and DISTRICT will not compensate Contractor, for delays which impact early completion. Any difference in time between the Contractor's early completion and the Contract Time shall be considered a part of the Project float.
6. Contractor's entitlement to an extension of the Contract Times is limited to a DISTRICT-caused extension of the critical path, reduced by the Contractor's concurrent delays, and established by a proper time impact analysis. No time extension shall be allowed unless, and then only to the extent that, the DISTRICT-caused delay extends the critical path beyond the previously approved Contract Time. If approved, the increase in time required to complete the Work shall be added to the Contract Time.
 - a. Contractor shall not be entitled to an adjustment in the Contract Price or Contract Times for delays within the control of Contractor. Delays attributable to and within the control of a Subcontractor or Supplier shall be deemed to be delays within the control of Contractor.
 - b. If Contractor is delayed in the performance or progress of the Work by fire, flood, epidemic, abnormal weather conditions (as determined by the DISTRICT), Acts of God, acts or failures to act of utility owners not under the control of DISTRICT, or other causes not the fault of and beyond control of DISTRICT and Contractor, then Contractor shall be entitled to a time extension when the Work stopped is on the critical path. Such a non-compensable adjustment shall be Contractor's sole and exclusive remedy for

such delays. Contractor must submit a timely request in accordance with the requirements of this Article.

- c. Utility-Related Delays.
 - i. Contractor shall immediately notify in writing the utility owner and DISTRICT's Representative of its construction schedule and any subsequent changes in the construction schedule which will affect the time available for protection, removal, or relocation of utilities. Requests for extensions of time arising out of utility relocation or repair delays shall be filed in accordance with this Article.
 - ii. Contractor shall not be entitled to damages or additional payment for delays attributable to utility relocations or alterations if correctly located, as noted in the Contract Documents or by the Underground Service Alert survey.
- 7. Content for Requests for Contract Extension. Contractor's justification for entitlement shall be clear and complete citing specific Contract Document references and reasons on which Contractor's entitlement is based. At a minimum, each request for a time extension must include:
 - a. Each request for an extension of Contract Time must identify the impacting event, in narrative form, providing a description of the delay event and sufficient justification as to why the Contractor is entitled to a time extension. Contractor must demonstrate that the delay arises from unforeseeable causes beyond the control and without the fault or negligence of both Contractor and any Subcontractors or Suppliers, or any other persons or organizations employed by any of them or for whose acts any of them may be liable, and that such causes in fact lead to performance or completion of the Work, or specified part in question, beyond the corresponding Contract Times, despite Contractor's reasonable and diligent actions to guard against those effects.
 - b. Each request for an extension of Contract Time must include a time impact analysis in CPM format, using the Contemporaneous Impacted As-Planned Schedule Analysis to calculate the impact of the delay event.
- 8. No Damages for Reasonable Delay.
 - a. DISTRICT's liability to Contractor for delays for which DISTRICT is responsible shall be limited to only an extension of time unless such delays were unreasonable under the circumstances. In no case shall DISTRICT be liable for any costs which are borne by the Contractor in the regular course of business, including, but not limited to, home office overhead and other ongoing costs.
 - b. Damages caused by unreasonable DISTRICT delay that impact the critical path, including delays caused by items that are the responsibility of the DISTRICT pursuant to Government Code section 4215, shall be compensated at the Daily Rate established in the Special Conditions. No

other calculations, proportions or formulas shall be used to calculate any delay damages.

- c. DISTRICT and DISTRICT's Representative, and the officers, members, partners, employees, agents, consultants, or subcontractors of each of them, shall not be liable to Contractor for any claims, costs, losses, or damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) sustained by Contractor on or in connection with any other project or anticipated project.
9. Contractor's failure, neglect, or refusal to comply with the requirements of the Contract Documents, or any portion thereof, shall bar Contractor's request for extensions of the Contract Times. Such failure, neglect, or refusal prejudices DISTRICT's and DISTRICT's Representative's ability to recognize and mitigate delay, and such failure, neglect, or refusal prevent the timely analysis of requests for extensions of Contract Times, and whether such extensions may be warranted. Contractor hereby waives all rights to extensions of Contract Times due to delays or accelerations that result from or occur during periods of time for which Contractor fails, neglects, or refuses to fully comply with the requirements of this Article.

ARTICLE 45. FINAL ACCEPTANCE AND PAYMENT

- A. The acceptance of the Work on behalf of the DISTRICT will be made by the Engineer. Such acceptance by the DISTRICT shall not constitute a waiver of defects. When the Work has been accepted there shall be paid to Contractor a sum equal to the contract price less any amounts previously paid Contractor and less any amounts withheld by the DISTRICT from Contractor under the terms of the contract. The final five percent (5%), or the percentage specified in the notice inviting bids where the DISTRICT has adopted a finding of substantially complete, shall not become due and payable until five (5) calendar days shall have elapsed after the expiration of the period within which all claims may be filed under the provisions of Civil Code section 9356. If the Contractor has placed securities with the DISTRICT as described herein, the Contractor shall be paid a sum equal to one hundred percent (100%) of the contract price less any amounts due the DISTRICT under the terms of the Contract.
- B. Unless Contractor advises the DISTRICT in writing prior to acceptance of the final five percent (5%) or the percentage specified in the notice inviting bids where the DISTRICT has adopted a finding of substantially complete, or the return of securities held as described herein, said acceptance shall operate as a release to the DISTRICT of all claims and all liability to Contractor for all things done or furnished in connection with this work and for every act of negligence of the DISTRICT and for all other claims relating to or arising out of this work. If Contractor advises the DISTRICT in writing prior to acceptance of final payment or return of the securities that there is a dispute regarding the amount due the Contractor, the DISTRICT may pay the undisputed amount contingent upon the Contractor furnishing a release of all undisputed claims against the DISTRICT with the disputed claims in stated amounts being specifically excluded by Contractor from the operation of the release. No payments, however, final or otherwise, shall operate to release Contractor or its

sureties from the Faithful Performance Bond, Labor and Material Payment Bond, or from any other obligation under this contract.

- C. In case of suspension of the contract any unpaid balance shall be and become the sole and absolute property of the DISTRICT to the extent necessary to repay the DISTRICT any excess in the cost of the Work above the contract price.
- D. Final payment shall be made no later than 60 days after the date of acceptance of the Work by the DISTRICT or the date of occupation, beneficial use and enjoyment of the Work by the DISTRICT including any operation only for testing, start-up or commissioning accompanied by cessation of labor on the Work, provided that a release of liens and claims has been received from the Contractor pursuant to Civil Code section 8136. In the event of a dispute between the DISTRICT and the Contractor, the DISTRICT may withhold from the final payment an amount not to exceed 150% of the disputed amount.
- E. Within ten (10) calendar days from the time that all or any portion of the retention proceeds are received by Contractor, Contractor shall pay each of its subcontractors from whom retention has been withheld each subcontractor's share of the retention received. However, if a retention payment received by Contractor is specifically designated for a particular subcontractor, payment of the retention shall be made to the designated subcontractor if the payment is consistent with the terms of the subcontract.

ARTICLE 46. OCCUPANCY

The DISTRICT reserves the right to occupy or utilize any portion of the Work at any time before completion, and such occupancy or use shall not constitute acceptance of any part of Work covered by this Contract. This use shall not relieve the Contractor of its responsibilities under the Contract.

ARTICLE 47. INDEMNIFICATION

To the fullest extent permitted by law, Contractor shall immediately defend (with counsel of the DISTRICT's choosing), indemnify and hold harmless the DISTRICT, officials, officers, agents, employees, and representatives, and each of them from and against:

- A. Any and all claims, demands, causes of action, costs, expenses, injuries, losses or liabilities, in law or in equity, of every kind or nature whatsoever, but not limited to, injury to or death, including wrongful death, of any person, and damages to or destruction of property of any person, arising out of, related to, or in any manner directly or indirectly connected with the Work or this Contract, including claims made by subcontractors for nonpayment, including without limitation the payment of all consequential damages and attorney's fees and other related costs and expenses, however caused, regardless of whether the allegations are false, fraudulent, or groundless, and regardless of any negligence of the DISTRICT or its officers, employees, or authorized volunteers (including passive negligence), except the sole negligence or willful misconduct or active negligence of the DISTRICT or its officials, officers, employees, or authorized volunteers.

- B. Contractor's defense and indemnity obligation herein includes, but is not limited to damages, fines, penalties, attorney's fees and costs arising from claims under the Americans with Disabilities Act (ADA) or other federal or state disability access or discrimination laws arising from Contractor's Work during the course of construction of the improvements or after the Work is complete, as the result of defects or negligence in Contractor's construction of the improvements.
- C. Any and all actions, proceedings, damages, costs, expenses, fines, penalties or liabilities, in law or equity, of every kind or nature whatsoever, arising out of, resulting from, or on account of the violation of any governmental law or regulation, compliance with which is the responsibility of Contractor;
- D. Any and all losses, expenses, damages (including damages to the Work itself), attorney's fees, and other costs, including all costs of defense which any of them may incur with respect to the failure, neglect, or refusal of Contractor to faithfully perform the Work and all of Contractor's obligations under the agreement. Such costs, expenses, and damages shall include all costs, including attorney's fees, incurred by the indemnified parties in any lawsuit to which they are a party.

Contractor shall immediately defend, at Contractor's own cost, expense and risk, with the DISTRICT Council's choosing, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against the DISTRICT, its officials, officers, agents, employees and representatives. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against the DISTRICT, its officials, officers, employees, agents, employees and representatives, in any such suit, action or other legal proceeding. Contractor shall reimburse the DISTRICT, its officials, officers, agents, employees and representatives for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. The only limitations on this provision shall be those imposed by Civil Code section 2782.

ARTICLE 48. PROCEDURE FOR RESOLVING DISPUTES

Contractor shall timely comply with all notices and requests for changes to the Contract Time or Contract Price, including but not limited to all requirements of Article 44, Changes and Extra Work, as a prerequisite to filing any claim governed by this Article. The failure to timely submit a notice of delay or notice of change, or to timely request a change to the Contract Price or Contract Time, or to timely provide any other notice or request required herein shall constitute a waiver of the right to further pursue the claim under the Contract or at law.

- A. **Intent.** Effective January 1, 1991, Section 20104 et seq., of the California Public Contract Code prescribes a process utilizing informal conferences, non-binding judicial supervised mediation, and judicial arbitration to resolve disputes on construction claims of \$375,000 or less. Effective January 1, 2017, Section 9204 of the Public Contract Code prescribes a process for negotiation and mediation to resolve disputes on construction claims. The intent of this Article is to implement Sections 20104 et seq. and Section 9204 of the California Public Contract Code. This Article shall be construed to be consistent with said statutes.
- B. **Claims.** For purposes of this Article, "Claim" means a separate demand by the Contractor, after a change order duly requested in accordance with Article 44 "Changes and Extra Work" has been denied by the DISTRICT, for (A) a time

extension, (B) payment of money or damages arising from Work done by or on behalf of the Contractor pursuant to the Contract, or (C) an amount the payment of which is disputed by the DISTRICT. Claims governed by this Article may not be filed unless and until the Contractor completes all procedures for giving notice of delay or change and for the requesting of a time extension or change order, including but not necessarily limited to the procedures contained in Article 44, Changes and Extra Work, and Contractor's request for a change has been denied in whole or in part. Claims governed by this Article must be filed no later than the date of final payment. The claim shall be submitted in writing to the DISTRICT and shall include on its first page the following in 16 point capital font: "THIS IS A CLAIM." Furthermore, the claim shall include the documents necessary to substantiate the claim. Nothing herein is intended to extend the time limit or supersede notice requirements otherwise provided by contract for the filing of claims, including all requirements pertaining to compensation or payment for extra Work, disputed Work, and/or changed conditions. Failure to follow such contractual requirements shall bar any claims or subsequent lawsuits for compensation or payment thereon.

- C. **Supporting Documentation.** The Contractor shall submit all claims in the following format:
1. Summary of claim merit and price, reference Contract Document provisions pursuant to which the claim is made
 2. List of documents relating to claim:
 - a. Specifications
 - b. Drawings
 - c. Clarifications (Requests for Information)
 - d. Schedules
 - e. Other
 3. Chronology of events and correspondence
 4. Analysis of claim merit
 5. Analysis of claim cost
 6. Time impact analysis in CPM format
- D. **DISTRICT's Response.** Upon receipt of a claim pursuant to this Article, DISTRICT shall conduct a reasonable review of the claim and, within a period not to exceed 45 Days, shall provide the Contractor a written statement identifying what portion of the claim is disputed and what portion is undisputed. Any payment due on an undisputed portion of the claim will be processed and made within 60 Days after the DISTRICT issues its written statement.

1. If the DISTRICT needs approval from its governing body to provide the Contractor a written statement identifying the disputed portion and the undisputed portion of the claim, and the DISTRICT's governing body does not meet within the 45 Days or within the mutually agreed to extension of time following receipt of a claim sent by registered mail or certified mail, return receipt requested, the DISTRICT shall have up to three Days following the next duly publicly noticed meeting of the DISTRICT's governing body after the 45-Day period, or extension, expires to provide the Contractor a written statement identifying the disputed portion and the undisputed portion.
 2. Within 30 Days of receipt of a claim, the DISTRICT may request in writing additional documentation supporting the claim or relating to defenses or claims the DISTRICT may have against the Contractor. If additional information is thereafter required, it shall be requested and provided pursuant to this subdivision, upon mutual agreement of DISTRICT and the Contractor. The DISTRICT's written response to the claim, as further documented, shall be submitted to the Contractor within 30 Days (if the claim is less than \$15,000, within 15 Days) after receipt of the further documentation, or within a period of time no greater than that taken by the Contractor in producing the additional information or requested documentation, whichever is greater.
- E. **Meet and Confer.** If the Contractor disputes the DISTRICT's written response, or the DISTRICT fails to respond within the time prescribed, the Contractor may so notify the DISTRICT, in writing, either within 15 Days of receipt of the DISTRICT's response or within 15 Days of the DISTRICT's failure to respond within the time prescribed, respectively, and demand in writing an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand, the DISTRICT shall schedule a meet and confer conference within 30 Days for settlement of the dispute.
- F. **Mediation.** Within 10 business Days following the conclusion of the meet and confer conference, if the claim or any portion of the claim remains in dispute, the public entity shall provide the Contractor a written statement identifying the portion of the claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the claim shall be processed and made within 60 Days after the public entity issues its written statement. Any disputed portion of the claim, as identified by the Contractor in writing, shall be submitted to nonbinding mediation, with the public entity and the Contractor sharing the associated costs equally. The public entity and Contractor shall mutually agree to a mediator within 10 business Days after the disputed portion of the claim has been identified in writing, unless the parties agree to select a mediator at a later time.
1. If the parties cannot agree upon a mediator, each party shall select a mediator and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the claim. Each party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator.
 2. For purposes of this section, mediation includes any nonbinding process, including, but not limited to, neutral evaluation or a dispute review board, in which an independent third party or board assists the parties in dispute resolution

through negotiation or by issuance of an evaluation. Any mediation utilized shall conform to the timeframes in this section.

3. Unless otherwise agreed to by the public entity and the Contractor in writing, the mediation conducted pursuant to this section shall excuse any further obligation under Section 20104.4 to mediate after litigation has been commenced.
4. The mediation shall be held no earlier than the date the Contractor completes the Work or the date that the Contractor last performs Work, whichever is earlier. All unresolved claims shall be considered jointly in a single mediation, unless a new unrelated claim arises after mediation is completed.

G. Procedures After Mediation. If following the mediation, the claim or any portion remains in dispute, the Contractor must file a claim pursuant to Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code prior to initiating litigation. For purposes of those provisions, the running of the period of time within which a claim must be filed shall be tolled from the time the Contractor submits his or her written claim pursuant to subdivision (a) until the time the claim is denied, including any period of time utilized by the meet and confer conference.

H. Civil Actions. The following procedures are established for all civil actions filed to resolve claims of \$375,000 or less:

1. Within 60 Days, but no earlier than 30 Days, following the filing or responsive pleadings, the court shall submit the matter to non-binding mediation unless waived by mutual stipulation of both parties or unless mediation was held prior to commencement of the action in accordance with Public Contract Code section 9204 and the terms of this Agreement. The mediation process shall provide for the selection within 15 Days by both parties of a disinterested third person as mediator, shall be commenced within 30 Days of the submittal, and shall be concluded within 15 Days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court.
2. If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, notwithstanding Section 1114.11 of that code. The Civil Discovery Act of 1986 (Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure) shall apply to any proceeding brought under this subdivision consistent with the rules pertaining to judicial arbitration. In addition to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, (A) arbitrators shall, when possible, be experienced in construction law, and (B) any party appealing an arbitration award who does not obtain a more favorable judgment shall, in addition to payment of costs and fees under that chapter, also pay the attorney's fees on appeal of the other party.

I. Government Code Claims. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra Work, disputed Work, construction claims and/or changed conditions, the Contractor must comply with the claim procedures set forth in Government Code Sections 900, et

seq. prior to filing any lawsuit against the DISTRICT. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra Work, disputed Work, construction claims, and/or changed conditions have been followed by Contractor. If no such Government Code claim is submitted, or if the prerequisite contractual requirements are not satisfied, no action against the DISTRICT may be filed. **A Government Code claim must be filed no earlier than the date the Work is completed or the date the Contractor last performs Work on the Project, whichever occurs first. A Government Code claim shall be inclusive of all unresolved claims unless a new unrelated claim arises after the Government Code claim is submitted.**

- J. **Non-Waiver.** The DISTRICT's failure to respond to a claim from the Contractor within the time periods described in this Article or to otherwise meet the time requirements of this Article shall result in the claim being deemed rejected in its entirety.

ARTICLE 49. DISTRICT'S RIGHT TO TERMINATE CONTRACT

A. Termination for Cause by the DISTRICT:

1. In the sole estimation of the DISTRICT, if the Contractor refuses or fails to prosecute the Work or any separable part thereof with such diligence as will insure its completion within the time specified by the Contract Documents, or any extension thereof, or fails to complete such Work within such time, or if the Contractor should be adjudged a bankrupt, or if it should make a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of its insolvency, or the Contractor or any of its subcontractors should violate any of the provisions of this Contract, the DISTRICT may serve written notice upon the Contractor and its Surety of the DISTRICT's intention to terminate this Contract. This notice of intent to terminate shall contain the reasons for such intention to terminate this Contract, and a statement to the effect that the Contractor's right to perform this Contract shall cease and terminate upon the expiration of ten (10) calendar days unless such violations have ceased and arrangements satisfactory to the DISTRICT have been made for correction of said violations.
2. In the event that the DISTRICT serves such written notice of termination upon the Contractor and the Surety, the Surety shall have the right to take over and perform the Contract. If the Surety does not: (1) give the DISTRICT written notice of Surety's intention to take over and commence performance of the Contract within 15 calendar days of the DISTRICT's service of said notice of intent to terminate upon Surety; and (2) actually commence performance of the Contract within 30 calendar days of the DISTRICT's service of said notice upon Surety; then the DISTRICT may take over the Work and prosecute the same to completion by separate contract or by any other method it may deem advisable for the account and at the expense of the Contractor.
3. In the event that the DISTRICT elects to obtain an alternative performance of the Contract as specified above: (1) the DISTRICT may, without liability for so doing, take possession of and utilize in completion of the Work such materials,

appliances, plants and other property belonging to the Contractor that are on the site and reasonably necessary for such completion (A special lien to secure the claims of the DISTRICT in the event of such suspension is hereby created against any property of Contractor taken into the possession of the DISTRICT under the terms hereof and such lien may be enforced by sale of such property under the direction of the Board without notice to Contractor. The proceeds of the sale after deducting all expenses thereof and connected therewith shall be credited to Contractor. If the net credits shall be in excess of the claims of the DISTRICT against Contractor, the balance will be paid to Contractor or Contractor's legal representatives.); and (2) Surety shall be liable to the DISTRICT for any cost or other damage to the DISTRICT necessitated by the DISTRICT securing an alternate performance pursuant to this Article.

B. Termination for Convenience by the DISTRICT:

1. The DISTRICT may terminate performance of the Work called for by the Contract Documents in whole or, from time to time, in part, if the DISTRICT determines that a termination is in the DISTRICT's interest.
2. The Contractor shall terminate all or any part of the Work upon delivery to the Contractor of a Notice of Termination specifying that the termination is for the convenience of the DISTRICT, the extent of termination, and the Effective Date of such termination.
3. After receipt of Notice of Termination, and except as directed by the DISTRICT's Representative, the Contractor shall, regardless of any delay in determining or adjusting any amounts due under this Termination for Convenience clause, immediately proceed with the following obligations:
 - a. Stop Work as specified in the Notice.
 - b. Complete any Work specified in the Notice of Termination in a least cost/shortest time manner while still maintaining the quality called for under the Contract Documents.
 - c. Leave the property upon which the Contractor was working and upon which the facility (or facilities) forming the basis of the Contract Document is situated in a safe and sanitary manner such that it does not pose any threat to the public health or safety.
 - d. Terminate all subcontracts to the extent that they relate to the portions of the Work terminated.
 - e. Place no further subcontracts or orders, except as necessary to complete the continued portion of the Contract.
 - f. Submit to the DISTRICT's Representative, within ten (10) calendar days from the Effective Date of the Notice of Termination, all of the usual documentation called for by the Contract Documents to substantiate all costs incurred by the Contractor for labor, materials and equipment through the Effective Date of the Notice of Termination. Any documentation substantiating costs incurred

by the Contractor solely as a result of the DISTRICT's exercise of its right to terminate this Contract pursuant to this clause, which costs the contractor is authorized under the Contract documents to incur, shall: (1) be submitted to and received by the Engineer no later than 30 calendar days after the Effective Date of the Notice of Termination; (2) describe the costs incurred with particularity; and (3) be conspicuously identified as "Termination Costs occasioned by the DISTRICT's Termination for Convenience."

4. Termination of the Contract shall not relieve Surety of its obligation for any just claims arising out of or relating to the Work performed.
5. In the event that the DISTRICT exercises its right to terminate this Contract pursuant to this clause, the DISTRICT shall pay the Contractor, upon the Contractor's submission of the documentation required by this clause and other applicable provisions of the Contract Documents, the following amounts:
 - a. All actual reimbursable costs incurred according to the provisions of this Contract.
 - b. A reasonable allowance for profit on the cost of the Work performed, provided Contractor establishes to the satisfaction of the DISTRICT's Representative that it is reasonably probable that Contractor would have made a profit had the Contract been completed and provided further, that the profit allowed shall in no event exceed fifteen (15%) percent of the costs.
 - c. A reasonable allowance for Contractor's administrative costs in determining the amount payable due to termination of the Contract under this Article.
- C. Notwithstanding any other provision of this Article, when immediate action is necessary to protect life and safety or to reduce significant exposure or liability, the DISTRICT may immediately order Contractor to cease Work on the Project until such safety or liability issues are addressed to the satisfaction of the DISTRICT or the Contract is terminated.

ARTICLE 50. WARRANTY AND GUARANTEE OF WORK

- A. Contractor hereby warrants that materials and Work shall be completed in conformance with the Contract Documents and that the materials and Work provided will fulfill the requirements of this Warranty. Contractor hereby agrees to repair or replace, at the discretion of the DISTRICT, any or all Work that may prove to be defective in its workmanship, materials furnished, methods of installation or fail to conform to the Contract Document requirements together with any other Work which may be damaged or displaced by such defect(s) within a period of one (1) year from the date of the Notice of Completion of the Project without any expense whatever to the DISTRICT, ordinary wear and tear and unusual abuse and neglect excepted. The DISTRICT will perform an inspection before the warrant period expires. Contractor shall be required to promptly repair or replace defective equipment or materials, at Contractor's option. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstatement of equipment and materials necessary to gain access, shall be the sole responsibility of the Contractor.

- B. For any Work so corrected, Contractor's obligation hereunder to correct defective Work shall be reinstated for an additional one (1) year period, commencing with the date of acceptance of such corrected Work. The reinstatement of the one (1) year warranty shall apply only to that portion of work that was corrected. Contractor shall perform such tests as DISTRICT may require to verify that any corrective actions, including, without limitation, redesign, repairs, and replacements comply with the requirements of the Contract. In the event of Contractor's failure to comply with the above-mentioned conditions within ten (10) calendar days after being notified in writing of required repairs, to the reasonable satisfaction of the DISTRICT, the DISTRICT shall have the right to correct and replace any defective or non-conforming Work and any work damaged by such work or the replacement or correction thereof at Contractor's sole expense. Contractor shall be obligated to fully reimburse the DISTRICT for any expenses incurred hereunder immediately upon demand.
- C. In addition to the warranty set forth in this Article, Contractor shall obtain for DISTRICT all warranties that would be given in normal commercial practice and assign to DISTRICT any and all manufacturer's or installer's warranties for equipment or materials not manufactured by Contractor and provided as part of the Work, to the extent that such third-party warranties are assignable and extend beyond the warranty period set forth in this Article. Contractor shall furnish the DISTRICT with all warranty and guarantee documents prior to final Acceptance of the Project by the DISTRICT as required.
- D. When specifically indicated in the Contract Documents or when directed by the Engineer, the DISTRICT may furnish materials or products to the Contractor for installation. In the event any act or failure to act by Contractor shall cause a warranty applicable to any materials or products purchased by the DISTRICT for installation by the Contractor to be voided or reduced, Contractor shall indemnify DISTRICT from and against any cost, expense, or other liability arising therefrom, and shall be responsible to the DISTRICT for the cost of any repairs, replacement or other costs that would have been covered by the warranty but for such act or failure to act by Contractor.
- E. The Contractor shall remedy at its expense any damage to DISTRICT-owned or controlled real or personal property.
- F. The DISTRICT shall notify the Contractor, in writing, within a reasonable time after the discovery of any failure, defect, or damage. The Contractor shall within ten (10) calendar days after being notified commence and perform with due diligence all necessary Work. If the Contractor fails to promptly remedy any defect, or damage; the DISTRICT shall have the right to replace, repair or otherwise remedy the defect, or damage at the Contractor's expense.
- G. In the event of any emergency constituting an immediate hazard to health, safety, property, or licensees, when caused by Work of the Contractor not in accordance with the Contract requirements, the DISTRICT may undertake at Contractor's expense, and without prior notice, all Work necessary to correct such condition.
- H. Acceptance of Defective Work.

1. If, instead of requiring correction or removal and replacement of Defective Work, the DISTRICT prefers to accept it, DISTRICT may do so. Contractor shall pay all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) attributable to DISTRICT's evaluation of and determination to accept such Defective Work and for the diminished value of the Work.
 2. If any acceptance of defective work occurs prior to release of the Project Retention, a Change Order will be issued incorporating the necessary revisions in the Contract Documents with respect to the Work, and DISTRICT shall be entitled to an appropriate decrease in the Contract Price, reflecting the diminished value of Work and all costs incurred by DISTRICT.
 3. If the Project Retention is held in an escrow account as permitted by the Contract Documents, Contractor will promptly alert the escrow holder, in writing, of the amount of Retention to be paid to DISTRICT.
 4. If the acceptance of Defective Work occurs after release of the Project Retention, an appropriate amount will be paid by Contractor to DISTRICT.
- I. DISTRICT May Correct Defective Work.
1. If Contractor fails within a reasonable time after written notice from DISTRICT's Representative to correct Defective Work, or to remove and replace rejected Work as required by DISTRICT, or if Contractor fails to perform the Work in accordance with the Contract Documents, or if Contractor fails to comply with any other provision of the Contract Documents, DISTRICT may, after seven (7) Days' written notice to Contractor, correct, or remedy any such deficiency.
 2. In connection with such corrective or remedial action, DISTRICT may exclude Contractor from all or part of the Site, take possession of all or part of the Work and suspend Contractor's services related thereto, take possession of Contractor's tools, appliances, construction equipment and machinery at the Site, and incorporate in the Work all materials and equipment stored at the Site or for which DISTRICT has paid Contractor but which are stored elsewhere. Contractor shall allow DISTRICT and DISTRICT's Representative, and the agents, employees, other contractors, and consultants of each of them, access to the Site to enable DISTRICT to exercise the rights and remedies to correct the Defective Work.
 3. All claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) incurred or sustained by DISTRICT correcting the Defective Work will be charged against Contractor, and a Change Order will be issued incorporating the necessary revisions into the Contract Documents with respect to the Work; and DISTRICT shall be entitled to an appropriate decrease in the Contract Price.

4. Such claims, costs, losses and damages will include, but not be limited to, all costs of repair, or replacement of work of others destroyed or damaged by correction, removal, or replacement of Defective Work.
 5. If the Change Order is executed after all payments under the Contract have been paid by DISTRICT and the Project Retention is held in an escrow account as permitted by the Contract Documents, Contractor will promptly alert the escrow holder, in writing, of the amount of Retention to be paid to DISTRICT.
 6. If the Change Order is executed after release of the Project Retention, an appropriate amount will be paid by Contractor to DISTRICT.
 7. Contractor shall not be allowed an extension of the Contract Times because of any delay in the performance of the Work attributable to DISTRICT correcting Defective work.
- J. Nothing in the Warranty or in the Contract Documents shall be construed to limit the rights and remedies available to DISTRICT at law or in equity, including, but not limited to, Code of Civil Procedure section 337.15.

ARTICLE 51. DOCUMENT RETENTION & EXAMINATION

- A. In accordance with Government Code section 8546.7, records of both the DISTRICT and the Contractor shall be subject to examination and audit by the State Auditor General for a period of three (3) years after final payment.
- B. Contractor shall make available to the DISTRICT any of the Contractor's other documents related to the Project immediately upon request of the DISTRICT.
- C. In addition to the State Auditor rights above, the DISTRICT shall have the right to examine and audit all books, estimates, records, contracts, documents, bid documents, subcontracts, and other data of the Contractor (including computations and projections) related to negotiating, pricing, or performing the modification in order to evaluate the accuracy and completeness of the cost or pricing data at no additional cost to the DISTRICT, for a period of four (4) years after final payment.

ARTICLE 52. SEPARATE CONTRACTS

- A. The DISTRICT reserves the right to let other contracts in connection with this Work or on the Project site. Contractor shall permit other contractors reasonable access and storage of their materials and execution of their work and shall properly connect and coordinate its Work with theirs.
- B. To ensure proper execution of its subsequent Work, Contractor shall immediately inspect work already in place and shall at once report to the Engineer any problems with the Work in place or discrepancies with the Contract Documents.
- C. Contractor shall ascertain to its own satisfaction the scope of the Project and nature of any other contracts that have been or may be awarded by the DISTRICT in prosecution of the Project to the end that Contractor may perform this Contract in the light of such other contracts, if any. Nothing herein contained shall be interpreted as

granting to Contractor exclusive occupancy at site of the Project. Contractor shall not cause any unnecessary hindrance or delay to any other contractor working on the Project. If simultaneous execution of any contract for the Project is likely to cause interference with performance of some other contract or contracts, the Engineer shall decide which Contractor shall cease Work temporarily and which contractor shall continue or whether work can be coordinated so that contractors may proceed simultaneously. The DISTRICT shall not be responsible for any damages suffered or for extra costs incurred by Contractor resulting directly or indirectly from award, performance, or attempted performance of any other contract or contracts on the Project site.

ARTICLE 53. NOTICE AND SERVICE THEREOF

All notices shall be in writing and either served by personal delivery or mailed to the other party as designated in the Bid Forms. Written notice to the Contractor shall be addressed to Contractor's principal place of business unless Contractor designates another address in writing for service of notice. Notice to DISTRICT shall be addressed to the DISTRICT as designated in the Notice Inviting Bids unless DISTRICT designates another address in writing for service of notice. Notice shall be effective upon receipt or five (5) calendar days after being sent by first class mail, whichever is earlier. Notice given by facsimile shall not be effective unless acknowledged in writing by the receiving party.

ARTICLE 54. NOTICE OF THIRD PARTY CLAIMS

Pursuant to Public Contract Code section 9201, the DISTRICT shall provide the Contractor with timely notification of the receipt of any third-party claims relating to the Contract. The DISTRICT is entitled to recover reasonable costs incurred in providing such notification.

ARTICLE 55. STATE LICENSE BOARD NOTICE

Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four (4) years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten (10) years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

ARTICLE 56. INTEGRATION

- A. **Oral Modifications Ineffective.** No oral order, objection, direction, claim or notice by any party or person shall affect or modify any of the terms or obligations contained in the Contract Documents.
- B. **Contract Documents Represent Entire Contract.** The Contract Documents represent the entire agreement of the DISTRICT and Contractor.

ARTICLE 57. ASSIGNMENT OF CONTRACT

Contractor shall not assign, transfer, convey, sublet or otherwise dispose of the rights or title of interest of any or all of this contract without the prior written consent of the DISTRICT. Any

assignment or change of Contractor's name of legal entity without the written consent of the DISTRICT shall be void. Any assignment of money due or to become due under this Contract shall be subject to a prior lien for services rendered or Material supplied for performance of Work called for under the Contract Documents in favor of all persons, firms, or corporations rendering such services or supplying such Materials to the extent that claims are filed pursuant to the Civil Code, the Code of Civil Procedure or the Government Code.

ARTICLE 58. CHANGE IN NAME AND NATURE OF CONTRACTOR'S LEGAL ENTITY

Should a change be contemplated in the name or nature of the Contractor's legal entity, the Contractor shall first notify the DISTRICT in order that proper steps may be taken to have the change reflected on the Contract and all related documents. No change of Contractor's name or nature will affect DISTRICT's rights under the Contract, including but not limited to the bonds.

ARTICLE 59. ASSIGNMENT OF ANTITRUST ACTIONS

Pursuant to Public Contract Code section 7103.5, in entering into a public works contract or subcontract to supply goods, services, or materials pursuant to a public works contract, Contractor or subcontractor offers and agrees to assign to the DISTRICT all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 USC, Section 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from the purchase of goods, services, or materials pursuant to this contract or any subcontract. This assignment shall be made and become effective at the time the DISTRICT tenders final payment to the Contractor, without further acknowledgment by the parties.

ARTICLE 60. PROHIBITED INTERESTS

No DISTRICT official or representative who is authorized in such capacity and on behalf of the DISTRICT to negotiate, supervise, make, accept, or approve, or to take part in negotiating, supervising, making, accepting or approving any engineering, inspection, construction or material supply contract or any subcontract in connection with construction of the project, shall be or become directly or indirectly interested financially in the Contract.

ARTICLE 61. CONTROLLING LAW

Notwithstanding any subcontract or other contract with any subcontractor, supplier, or other person or organization performing any part of the Work, this Contract shall be governed by the law of the State of California excluding any choice of law provisions.

ARTICLE 62. JURISDICTION; VENUE

Contractor and any subcontractor, supplier, or other person or organization performing any part of the Work agrees that any action or suits at law or in equity arising out of or related to the bidding, award, or performance of the Work shall be maintained in the Superior Court of San Diego County, California, and expressly consent to the jurisdiction of said court, regardless of residence or domicile, and agree that said court shall be a proper venue for any such action.

ARTICLE 63. LAWS AND REGULATIONS

- A. Contractor shall give all notices and comply with all laws, ordinances, rules and regulations bearing on conduct of work as indicated and specified. If Contractor observes that drawings and specifications are at variance therewith, it shall promptly notify the Engineer in writing and any necessary changes shall be adjusted as provided for in this Contract for changes in work. If Contractor performs any work knowing it to be contrary to such laws, ordinances, rules and regulations, and without such notice to the Engineer, it shall bear all costs arising therefrom.
- B. Contractor shall be responsible for familiarity with the Americans with Disabilities Act (“ADA”) (42 U.S.C. § 12101 et seq.). The Work will be performed in compliance with ADA regulations.

ARTICLE 64. PATENTS

Contractor shall hold and save the DISTRICT, officials, officers, employees, and authorized volunteers harmless from liability of any nature or kind of claim therefrom including costs and expenses for or on account of any patented or unpatented invention, article or appliance manufactured, furnished or used by Contractor in the performance of this contract.

ARTICLE 65. OWNERSHIP OF CONTRACT DOCUMENTS

All Contract Documents furnished by the DISTRICT are DISTRICT property. They are not to be used by Contractor or any subcontractor on other work nor shall Contractor claim any right to such documents. With exception of one complete set of Contract Documents, all documents shall be returned to the DISTRICT on request at completion of the Work.

ARTICLE 66. NOTICE OF TAXABLE POSSESSORY INTEREST

In accordance with Revenue and Taxation Code section 107.6, the Contract Documents may create a possessory interest subject to personal property taxation for which Contractor will be responsible.

ARTICLE 67. SURVIVAL OF OBLIGATIONS

All representations, indemnifications, warranties, and guarantees made in, required by, or given in accordance with the Contract Documents, as well as all continuing obligations indicated in the Contract Documents, will survive final payment, completion, and acceptance of the Work or termination or completion of the Contract or termination of the services of Contractor.

00 73 13 – SPECIAL CONDITIONS

1.1 Engineer of Record.

- A. For purposes of this Project, the Engineer of Record or Engineer shall be: Derek Reed, PE, Dudek, and the Professional Geologist (PG) and Certified Hydrogeologist (CHG) of record shall be Trey Driscoll, PG, CHG.

1.2 Location of the Project.

- A. The Project is located at the existing Well ID4-4 location for the first well and a location to be determined by the District for the second well, if awarded as alternate bid items.

1.3 Construction Area Signs.

- A. The Contractor shall furnish, install, maintain and remove all construction area signs in conformance with the plans and Sections 12-3.06 of the State of California Department of Transportation (Caltrans) Standard Specifications, latest edition.

1.4 Dust Control

- A. Dust control shall be performed in accordance with Subsection 7-8.1, "Clean up and Dust Control," of the Standard Specifications, San Diego County Air Pollution Control District (APCD) Rules, the General Conditions and the following provision.

Dust resulting from the Contractor's performance of the work, either inside or outside, the right-of-way shall be controlled by the Contractor. Dust control includes the action necessary to prevent, reduce or control dust within the work area as required to complete the work. The Contractor shall carry out proper and efficient measures to prevent his operations from producing dust in amounts damaging to property or causing a nuisance or harm to persons living nearby or occupying buildings in the vicinity of the work. The Contractor shall control dust twenty-four (24) hours a day, seven (7) days a week. The methods to be used for controlling dust in the construction area and along haul roads shall be approved by the Engineer prior to starting any work.

Dust or dirt accumulations generated by the Contractor's operations shall be cleaned and removed by the Contractor from all areas as designated by the Engineer. The cost for cleaning and removal of dust or dirt shall be at the Contractor's expense and no additional compensation will be made therefore.

Water for use in dust control shall, at the option of the Contractor, be potable or non-potable. Non-potable water shall consist of reclaimed waste water or non-potable water developed from other sources.

If the Contractor uses reclaimed waste water in the work, the sources and discharge of reclaimed waste water shall meet the California Department of Health Services Water Reclamation Criteria and the Regional Water Quality Control Board

requirements. The Contractor shall obtain either a waste water discharge permit or a waiver from the Regional Water Quality Control Board. Copies of permits or waivers from the Regional Water Quality Control Board shall be delivered to the engineer before using reclaimed waste water in the work.

Water shall be applied in the amounts, at the locations, and for the purposes designated in the Special Provision and these Specifications, and as order by the Engineer.

Water for compacting embankment material, sub-base, base and surfacing material and for laying dust, shall be applied by means of pressure-type distributors or pipe lines equipped with a spray system or hoses with nozzles that will ensure a uniform application of water.

All equipment used for the application of water shall be equipped with a positive means of shut-off.

Unless otherwise permitted by the Engineer or unless all the water is applied by means of pipe lines, at least one mobile unit with a minimum capacity of 3700 L (1,000 gallons) shall be available for applying water on the project at all times.

Chemical additives or binder may be used in water for compaction or dust palliative. If such additives are used, furnishing and applying the additives shall be at the Contractor's expense.

The right is reserved by the Engineer to prohibit the use of a particular type of additive, to designate the locations where a particular type of additive may not be used, or to limit the amount of a particular type of additive to be used at certain locations, all if the Engineer has reasonable ground for believing that such use will in any way be detrimental.

The additive or binder shall be either miscible in water or be some form of material that is directly applied to the surface without mixing with water.

Additives or binders that are miscible in water shall be either a resin emulsion, an SS1 type asphaltic emulsion, materials composed essentially of lignin sulfonate or any other binder that is miscible in water in the proportions provided herein is non-corrosive, and is effective as a dust palliative.

Resin emulsion shall be composed of from fifty-seven percent (57%) to sixty-three percent (63%) of semi-liquid petroleum resin and the remainder water to which a suitable emulsifying agent has been added. The resin emulsion shall be readily miscible with water and when diluted with any hard water in the proportions of one (1) part of emulsion to ten (10) parts water shall show no signs of breakdown or separation of the petroleum resin base. Resin emulsion, which has been stored in closed containers at temperatures above freezing for a period up to three (3) months

shall show no signs of separation. Any resin emulsion which has been stored for more than three (3) months shall not be used until tested and approved.

SS1 type asphaltic emulsion shall conform to the provisions in Subsection 203-3, "Emulsified Asphalt."

Additives or binders that are miscible in water shall be mixed with additional water at the rate of from four (4) to nineteen (19) parts of water to one (1) part of binder, the exact rate to be determined by the Engineer. Mixing shall be accomplished by placing the binder and water in the spreading equipment simultaneously or by some other mixing method that will produce equivalent results.

The resulting mixture shall be applied with pressure type water distributor trucks equipped with a spray system or pressure type asphalt distributors at an approximate rate of from 0.9- to 3.6 L/m². (0.2 to 0.8 gallon on per square yard)

Additives or binders that are directly applied to the surface without mixing with water shall be applied with equipment approved by the Engineer. The binder shall be applied at a rate of from 0.4- to 1.1L/m². (0.10 to 0.25 gallons per square yard)

The exact rate and number of applications of binders will be determined by the Engineer.

Dust control ordered by the Engineer to be applied on Saturdays, Sundays or holidays will be included in the Contract price for dust control and no additional compensation will be allowed therefore.

No adjustment of compensation will be made for any increase or decrease in the quantity of dust control required, regardless of the reason for such increase or decrease.

The full compensation for all direct and indirect costs incurred for work performed or materials used to control dust resulting from the Contractor's performance of the work and caused by public traffic, either inside or outside the right-of-way shall be considered as included in the Contract prices paid for the various items of work involved and no additional compensation will be allowed therefore.

1.5 Cooperation and Collateral Work

- A. The Contractor shall be responsible for ascertaining the nature and extent of any simultaneous, collateral and essential work by others and coordinating with the work by others. The DISTRICT, other contractors and utilities shall have the right to operate within or adjacent to the work site during the performance of such work.

Should construction be under way by other forces or by other contractors within or adjacent to the limits of the work specified or should work of any other nature be under way by other forces within or adjacent to those limits, the Contractor shall

cooperate with all the other contractors or other forces to the end that any delay or hindrance to their work will be avoided. The right is reserved to perform other or additional work at or near the site (including material sources) at any time, by the use of other forces.

Each contractor shall be responsible to the other for all damage to work, to persons or property caused to the other by their operations, and for loss caused the other due to unnecessary delays or failure to finish the work within the time specified for completion.

The Contractor shall include in its proposal all costs involved as a result of coordinating its work with others. The Contractor will not be entitled to additional compensation from the DISTRICT for damages resulting from such simultaneous, collateral and essential work. If necessary to avoid or minimize such damage or delay, the Contractor shall re-deploy its work force to other parts of the work.

Should the Contractor be delayed by the DISTRICT, and such delay could not have been reasonably foreseen or prevented by the Contractor, the Engineer will determine the extent of the delay, the effect on the project and any extension of time. Should any agency or utility company's work result in delays to the Contractor's work schedule, the Contractor shall be entitled only to an equivalent extension of time for the completion of the contract, and shall not be entitled to damages due to downtime and idled equipment or additional payments over and above the agreed upon unit prices.

Compensation for compliance with all collateral work shall be considered as being included in the various Contract items in the proposal schedule and no additional compensation will be allowed therefore.

1.6 Existing Improvement

- A. The Contractor shall make every effort to protect all existing improvements and facilities from damage during the progress of his/her/its work. No trees, planters, walks, shrubs, signs, fences or other such facilities shall be removed except as shown or called for on the plans or unless specifically authorized in writing by the Engineer. The Contractor shall be held responsible for the care and preservation of the present premises and of adjacent premises and coterminous property. Any parts of them which are injured, damaged or disturbed because of his work shall be repaired, replaced or cleaned by him at his expense.

1.7 Existing Utilities

- A. The Contractor will be required to work around public utilities and other improvements that are to remain in place within the construction area. The Contractor will be held liable for any damage to existing improvements or interference with service resulting from his operations. The Contractor shall pothole and ascertain the exact location of all underground facilities and improvements within the construction area before using equipment that may damage such facilities.

1.8 Resident Access to Their Properties During Construction

A. The Contractor shall provide access to local residents at all times. The contractor shall notify the residents of the construction schedule and when construction activities will take place in front of their properties. The Contractor shall install steel plates over open trench (for the width of a standard residential driveway) to provide vehicular access in and out of local residences. The compensation for providing steel plates for resident vehicular access shall be included (factored) in the unit price (LF) of the 6 inch diameter PVC pipe installation. No additional cost shall be incurred.

1.9 Status of the Project Area and Rights-of-Way.

A. DISTRICT, at its expense, will provide all rights-of-way or permits, or both, covering the crossing of private property and public and private rights-of-way necessary for the permanent Work; provided, however, Contractor shall, at its expense, obtain any bonds or insurance policies or pay any fees and enter into any agreements required by a controlling authority, e.g., Caltrans or Southern Pacific Railroad Company, before Contractor enters upon any property or right-of-way under the jurisdiction of any such controlling authority for the purpose of performing Work.

B. DISTRICT has acquired or is negotiating to acquire any rights-of-way, or both, necessary for the permanent Work.

C. If such permits are required, all operations of Contractor shall conform to the restrictions, regulations, and requirements set forth in said permits, copies of which will be included in the Contract Documents.

D. Contractor may be required, as a condition for receiving final payment, to obtain, and provide DISTRICT's Representative with copies of, executed damage releases from the owners of public and private property whose property has been damaged by the Work. The damage releases will be on a form provided by DISTRICT.

E. Contractor shall, also, as a condition for receiving final payment, obtain, and provide DISTRICT's Representative with copies of, executed damage releases from the owners of certain public and private property or areas which have been crossed by the Work or otherwise affected by the Work. The damage releases will be on a form provided by DISTRICT.

1.10 Site Data.

NOT USED.

1.11 Pre-Purchased or Pre-Negotiated Material.

NOT USED.

1.12 Designation of DISTRICT's Representative.

A. Unless otherwise modified by DISTRICT, DISTRICT's Representative shall be its General Manager.

1.13 Project Retention

In accordance with Public Contract Code § 7201, DISTRICT will withhold 5% of each progress payment as retention on the Project.

1.14 Liquidated Damages Due to Contractor Delay.

A. Time is of the essence. Should Contractor fail to complete all or any part of the Work within the time specified in the Contract Documents, DISTRICT will suffer damage, the amount of which is difficult, if not impossible, to ascertain and, pursuant to the authority of Government Code section 53069.85, DISTRICT shall therefore be entitled to **\$1,000.00 per Day** as liquidated damages for each Day or part thereof that actual completion extends beyond the time specified.

B. Liquidated damages may be deducted from progress payments due Contractor, Project retention or may be collected directly from Contractor, or from Contractor's surety. These provisions for liquidated damages shall not prevent DISTRICT, in case of Contractor's default, from terminating the Contractor.

1.15 Utility Outages – Notices to Residents.

A. Should Contractor's operations require interruption of any utility service, Contractor shall notify DISTRICT at least ten (10) Days prior to the scheduled outage. Contractor will notify all impacted residents on a form provided by DISTRICT at least seven (7) Days prior to the scheduled outage.

B. Contractor shall be responsible for providing, at its cost, any temporary utility or facilities necessitated by the utility outage.

1.16 Schedule Constraints.

NOT USED.

1.17 Noise Restrictions

A. Contractor shall use only such equipment on the Work and in such state of repair so that the emission of sound therefrom is within the noise tolerance level of that equipment as established by Cal/OSHA.

1.18 Safety Programs.

A. DISTRICT has considered these Safety Programs when determining the Contract Times and no additional time or compensation will be added to the Contract due to these Programs.]

END OF SPECIAL CONDITIONS

01 00 00 – GENERAL REQUIREMENTS

PART 1 -- GENERAL

1.1 DESCRIPTION

- A. The work to be performed under this Contract shall consist of all plant, labor, equipment, materials, tools, transportation, and services required for the fulfillment of the Contract in strict accordance with the Contract Documents and Specifications. The work shall be complete, and all work, materials, and services not expressly shown or called for in the Contract Documents and Specifications which may be necessary for the complete and proper construction of the work in good faith shall be performed, furnished, and installed by the contractor as though originally so specified or shown, at no increasing cost to the District.
- B. The work of this Contract is comprised of drilling, constructing, developing, pump testing, and disinfecting one new extraction well. The well is to be located on DISTRICT-owned land, as detailed in the Bid Documents. Additionally, a second extraction well may be awarded as alternate bid items, at the sole discretion of the DISTRICT and the location of the second well will be determined at a later date.

1.2 RELATED REQUIREMENTS SPECIFIED ELSEWHERE

PART 2 -- PRODUCTS (NOT USED)

PART 3 -- EXECUTION

3.1 LAYOUT OF WORK AND QUANTITY SURVEYS

- A. General. Construction staking will be provided by the DISTRICT.
- B. Quantity surveys. The Contractor shall perform such surveys and computations as are necessary to determine quantities of Work performed or placed during each progress payment period, and shall perform all surveys necessary for the DISTRICT Representative to determine final quantities of Work in place. The DISTRICT Representative will determine final quantities based upon the survey data provided by the Contractor, and the design lines and grades. If requested by the DISTRICT Representative, the Contractor shall provide an electronic copy of data used for quantity computations.
- C. All surveys performed for measurement of final quantities of Work and material shall be subject to approval of DISTRICT's Representative. Unless waived by DISTRICT's Representative in each specific case, quantity surveys made by the Contractor shall be made in the presence of DISTRICT's Representative.
- D. Cost. Unless otherwise called for by the Contract Documents, the cost of all material, equipment, and labor required for quantity surveys shall be included in the Schedule

of Pay Items for items of work requiring the surveys. No additional compensation shall be made to the Contractor for this Work.

3.2 SCHEDULE

- A. Estimated Schedule. Within ten (10) Days after the issuance of the Notice to Proceed, Contractor shall prepare a Project schedule and shall submit this to the Engineer for Approval. The receipt or Approval of any schedules by the Engineer or the DISTRICT shall not in any way relieve the Contractor of its obligations under the Contract Documents. The Contractor is fully responsible to determine and provide for any and all staffing and resources at levels which allow for good quality and timely completion of the Project. Contractor's failure to incorporate all elements of Work required for the performance of the Contract or any inaccuracy in the schedule shall not excuse the Contractor from performing all Work required for a completed Project within the specified Contract time period. If the required schedule is not received by the time the first payment under the Contract is due, Contractor shall not be paid until the schedule is received, reviewed and accepted by the Engineer.
- B. Schedule Contents. The schedule shall indicate the beginning and completion dates of all phases of construction; critical path for all critical, sequential time related activities; and "float time" for all "slack" or "gaps" in the non-critical activities. The schedule shall clearly identify all staffing and other resources which in the Contractor's judgment are needed to complete the Project within the time specified for completion. The overall Project Schedule duration shall be within the Contract time.
- C. Schedule Updates. Contractor shall continuously update its construction schedule. Contractor shall submit an updated and accurate construction schedule to the Engineer monthly when requested to do so by Engineer. Contractor shall also submit schedules showing a three week detailed look-ahead at bi-weekly meetings conducted with the DISTRICT. The Engineer may withhold progress payments or other amounts due under the Contract Documents if Contractor fails to submit an updated and accurate construction schedule.

3.3 TEMPORARY FIELD OFFICE

NOT USED

3.4 PROTECTION OF WORK AND PROPERTY

- A. All traffic detector loops, fences, walls, culverts, property line monuments, or other obstructions (except property line monuments within five (5) feet of the centerline of the mains) which are removed, damaged, or destroyed in the course of the Work, shall be replaced or repaired to the original condition. If Contractor provides the DISTRICT with reasonable notice of the need for such repair or replacement, it shall be performed by the DISTRICT. If the Contractor fails to provide the DISTRICT with reasonable notice, the repair or replacement shall be performed by and at the expense of the Contractor to the satisfaction of the DISTRICT, whether or not those obstructions have been shown on the Plans, unless otherwise stated herein. It is then the Contractor's responsibility to employ at its expense a Licensed Land Surveyor to restore all property line monuments located more than five (5) feet from

the centerline of the mains, which are destroyed or obliterated. Property line monuments located within five (5) feet of the centerline of the mains will be replaced by the DISTRICT at no expense to the Contractor, provided the DISTRICT is notified at least 48 hours before the property line monuments are damaged.

- B. Contractor shall provide such heat, covering, and enclosures as are necessary to protect all Work, materials, equipment, appliances, and tools against damage by weather conditions.
- C. Contractor shall take adequate precautions to protect existing sidewalks, curbs, pavements, utilities, and other adjoining property and structures, and to avoid damage thereto, and Contractor shall repair any damage thereto caused by the Work operations. Contractor shall:
 - 1. Enclose the working area with a substantial barricade, and arrange work to cause minimum amount of inconvenience and danger to the public.
 - 2. Provide substantial barricades around any shrubs or trees indicated to be preserved.
 - 3. Deliver materials to the Project site over a route designated by the Engineer.
 - 4. Provide any and all dust control required and follow the Applicable air quality regulations as appropriate. If the Contractor does not comply, the DISTRICT shall have the immediate authority to provide dust control and deduct the cost from payments to the Contractor.
 - 5. Confine Contractor's apparatus, the storage of materials, and the operations of its workers to limits required by law, ordinances, permits, or directions of the Engineer. Contractor shall not unreasonably encumber the Project site with its materials.
 - 6. Take care to prevent disturbing or covering any survey markers, monuments, or other devices marking property boundaries or corners. If such markers are disturbed by accident, they shall be replaced by a civil engineer or land surveyor acceptable to the DISTRICT, at no cost to the DISTRICT.
 - 7. Ensure that existing facilities, fences and other structures are all adequately protected and that, upon completion of all Work, all facilities that may have been damaged are restored to a condition acceptable to the DISTRICT.
 - 8. Preserve and protect from injury all buildings, pole lines and all direction, warning and mileage signs that have been placed within the right-of-way.
 - 9. At the completion of work each day, leave the Project site in a clean, safe condition.
 - 10. Comply with any stage construction and traffic control plans. Access to residences and businesses shall be maintained at all times, unless otherwise permitted in writing by the DISTRICT.

- D. These precautionary measures will apply continuously and not be limited to normal working hours. Full compensation for the Work involved in the preservation of life, safety and property as above specified shall be considered as included in the prices paid for the various contract items of Work, and no additional allowance will be made therefore.
- E. Should damage to persons or property occur as a result of the Work, Contractor shall be responsible for proper investigation, documentation, including video or photography, to adequately memorialize and make a record of what transpired. The DISTRICT shall be entitled to inspect and copy any such documentation, video, or photographs.

3.5 SITE CONDITIONS SURVEYS

A. Work Included.

Contractor shall conduct thorough pre-construction and post-construction site condition surveys of the entire project area. Site Conditions surveys shall include written documentation of the conditions found, as well as photographs and video recordings of the area within at least 80 feet of any construction area and staging area. The written notes, photographs, and video shall be suitable for forensic purposes to resolve any damage claims that may arise as a result of construction.

B. Submittals.

1. Written documentation of site condition survey at pre-construction and post-construction.
2. Photographs as described herein of pre-construction and post-construction conditions.
3. Video recordings as described herein of pre-construction and post-construction conditions.
4. Submittals shall be made within three days of the surveys. All post-construction data shall be submitted prior to the final project inspection.

C. Site Condition Written Documentation.

Written documentation shall include the time, date, and conditions under which the site survey was made. The documentation shall note the condition of structures, pavement, sidewalks, utilities, fences, and etc. within the work areas.

Photographs.

General – Contractor shall take enough photographs during each site survey to provide a record of conditions existing prior to construction and conditions after construction. Pre-construction photographs shall be taken prior to any construction or mobilization of equipment, but not more than one week prior to actual start of work. The pre-construction photographs may be staged at different times to match the progression of the Work.

The photographs shall document existing damage to public and private facilities, both prior to and after construction. Conditions to be documented include, but are not limited to: sidewalk cracks, broken curbs, separated property walls, improvements within public right-of-ways, access roads used, utility covers and markings, signs, pavement striping, pavement, unique or unusual conditions, adjacent driveways, landscaping, survey markers, and any feature directed by the Engineer. Private property that is adjacent to the public right-of-way shall be documented to the extent visible from the public right-of-way.

Photographs shall include items to indicate scale, as needed. In particular, scales or other items shall be laid next to close ups of structural cracks and other damaged areas being recorded. Scaling shall also be used to document elevation differences, as needed.

One set of color prints shall be submitted. Additional sets shall be available for reviewing in settling any construction disputes. A set of photos shall also be furnished in electronic format. The resolution shall be at least equal to 7 megapixels. All photos shall be documented as to time and date taken, photographer, project number, location, and orientation. Documentation shall include a brief description of objects photographed.

Video Recording.

Video recordings shall document the conditions of the entire area affected by construction, as well as nearby structures and facilities. The general documentation requirements for videos are the same as for photographs. Video recorders shall accurately and continuously record the time and date.

Video recordings shall include an audio portion made simultaneously during the videoing. The audio recording shall describe the location, time, orientation, and objects being recorded. Special commentary shall be provided for unusual conditions or damage noted.

Video equipment shall be capable of producing high resolution images and shall have zoom capabilities.

Video recordings shall provide an overall picture of the sites and shall provide detailed images of damaged areas. Video shall extend to the maximum height of structures.

The Engineer shall have the right to reject any audio video recordings submitted with unintelligible audio, uncontrolled pan or zoom, or of poor quality. Video recordings shall be repeated when rejected.

Video recordings shall be submitted with labels indicating the project, date, recorder, and other pertinent information. Recordings shall be submitted on standard DVDs in a standard format.

Timing.

Contractor shall provide written notice of the time scheduled for the site conditions survey and the place it is to begin. Contractor shall obtain the Engineer's concurrence prior to beginning the condition survey. The Engineer reserves the right to cancel the survey due to weather conditions or other problems. Videoing shall be done during times of good visibility and no videoing or photography shall be done during periods of visible precipitation or when standing water obscures pavement. Contractor shall provide the Engineer with an opportunity to have a representative present when taking the photos and provide guidance during photographing.

Site Surveyor.

The site condition surveyor(s) shall be experienced in construction and potential damage concerns. The site condition surveyor(s) shall be familiar with the photography and video equipment being used.

Field Quality Control.

Prior to submitting videos and photographs, the Contractor shall spot check the photos and videos in the field to insure they accurately reflect the actual conditions and to insure they are correctly labeled.

Soils Compaction Testing.

All soils compaction testing will be done by a licensed geotechnical engineer furnished by the Contractor.

3.6 SUBMITTAL REQUIREMENTS FOR MANUALS AND RECORD DRAWINGS

- A. General. The Contractor shall furnish all materials and perform all Work required for furnishing submittals to DISTRICT in accordance with Contract Documents.
- B. Technical Manuals.
 - 1. The Contractor shall submit technical operation and maintenance information for each item of mechanical, electrical and instrumentation equipment in an organized manner in the Technical Manual. It shall be written so that it can be used and understood by DISTRICT's operation and maintenance staff.
 - 2. The Technical Manual shall be subdivided first by specification section number; second, by equipment item; and last, by "Category." "Categories" shall conform to the following (as applicable):
 - (a) Category 1 - Equipment Summary:
 - (1) Summary: A summary table shall indicate the equipment name, equipment number, and process area in which the equipment is installed.
 - (b) Category 2 - Operational Procedures:
 - (1) Procedures: Manufacturer-recommended procedures on the following

shall be included in Part 2:

- a. Installation
- b. Adjustment
- c. Startup
- d. Location of controls, special tools, equipment required, or related instrumentation needed for operation
- e. Operation procedures
- f. Load changes
- g. Calibration
- h. Shutdown
- i. Troubleshooting
- j. Disassembly
- k. Reassembly
- l. Realignment
- m. Testing to determine performance efficiency
- n. Tabulation of proper settings for all pressure relief valves, low and high pressure switches, and other protection devices
- o. List of all electrical relay settings including alarm and contact settings

(c) Category 3 - Preventive Maintenance Procedures:

- (1) Procedures: Preventive maintenance procedures shall include all manufacturer-recommended procedures to be performed on a periodic basis, both by removing and replacing the equipment or component, and by leaving the equipment in place.
- (2) Schedules: Recommended frequency of preventive maintenance procedures shall be included. Lubrication schedules, including lubricant SAE grade, type, and temperature ranges, shall be covered.

(d) Category 4 - Parts List:

- (1) Parts List: A complete parts list shall be furnished, including a generic description and manufacturer's identification number for each part. Addresses and telephone numbers of the nearest supplier and parts warehouse shall be included.
- (2) Drawings: Cross-sectional or exploded view drawings shall

accompany the parts list.

(e) Category 5 - Wiring Diagrams:

- (1) Diagrams: Part 5 shall include complete internal and connection wiring diagrams for electrical equipment items.

(f) Category 6 - Shop Drawings:

- (1) Drawings: This part shall include approved shop or fabrication drawings, complete with dimensions.

(g) Category 7 - Safety:

- (1) Procedures: This part describes the safety precautions to be taken when operating and maintaining the equipment or working near it.

(h) Category 8 - Documentation:

- (1) All equipment warranties, affidavits, and certifications required by the Technical Specifications shall be placed in this part.

3. The Contractor shall furnish to DISTRICT six (6) identical Technical Manuals. Each set shall consist of one or more volumes, each of which shall be bound in a standard binder.

- C. Spare Parts List - The Contractor shall furnish to DISTRICT six (6) identical sets of spare parts information for all mechanical, electrical, and instrumentation equipment. The spare parts list shall include the current list price of each spare part. The spare parts list shall include those spare parts which each manufacturer recommends be maintained by DISTRICT in inventory. Each manufacturer or supplier shall indicate the name, address, and telephone number of its nearest outlet of spare parts to assist DISTRICT in ordering. The Contractor shall cross-reference all spare parts lists to the equipment numbers designated in the Contract Documents. The spare parts lists shall be bound in standard size, 3-ring binder.

D. Record Drawings

1. The Contractor shall maintain one record set of Drawings at the Site. On these, it shall mark all Project conditions, locations, configurations, and any other changes or deviations which may vary from the information represented in the original Contract Documents, including buried or concealed construction and utility features which are revealed during the course of construction. Special attention shall be given to recording the horizontal and vertical location of all buried utilities that differ from the locations indicated, or which were not indicated on the Contract Drawings. Said record drawings shall be supplemented by any detailed sketches as necessary or directed to fully indicate the Work as actually constructed. These master record drawings of the as-built conditions, including all revisions made necessary by Addenda and Change Orders shall be maintained up-to-date during the progress of the Project. Red ink shall be used for alterations and notes. Notes shall identify relevant Change Orders by number and date.

2. For all Projects involving the installation of any pipeline, Contractor shall survey and record the top of the pipe at a minimum of every 100 linear feet, and at each bend, recording both the horizontal and vertical locations.
 3. Record drawings shall be accessible to DISTRICT's Representative at all times during the construction period. Failure on the Contractor's part to keep record drawings current could result in withholding partial payment.
 4. Upon Completion of the Project and as a condition of final acceptance, the Contractor shall finalize and deliver a complete set of Record Drawings to DISTRICT's Representative. The information submitted by the Contractor will be assumed to be correct, and the Contractor shall be responsible for, and liable to DISTRICT, for the accuracy of such information, and for any errors or omissions which may or may not appear on the Record Drawings.
- E. Cost. Unless otherwise called for by the Contract Documents, the cost of all material, equipment, and labor required to complete the Manuals and Record Drawings shall be included in Contractor's bid and distributed in the Schedule of Pay. No additional compensation shall be made to the Contractor for this Work.

3.7 MATERIALS

A. Materials to be Furnished by the Contractor

1. Inspection of Materials. Materials furnished by the Contractor which will become a part of the Project shall be subject to inspection at any one or more of the following locations, as determined by DISTRICT's Representative: at the place of production or manufacture, at the shipping point, or at the site of the Work. To allow sufficient time to provide for inspection, the Contractor shall submit to DISTRICT's Representative, at the time of issuance, copies of purchase orders or other written instrument confirming procurement of the materials, including drawings and other pertinent information, covering materials on which inspection will be made.
2. No later than fourteen (14) Days prior to manufacture of material, Contractor shall inform DISTRICT's Representative, in writing, the date the material is to be manufactured.
3. Contractors Obligations. The inspection of materials at any of the locations specified above or the waiving of the inspection thereof shall not impact whether the materials and equipment conform to the Contract Documents. Contractor will not be relieved from furnishing materials meeting the requirements of the Contract Documents due to DISTRICT's inspection or lack of inspection of the equipment or materials. Acceptance of any materials will be made only after materials are installed in the Project.
4. Cost. Unless otherwise called for by the Contract Documents, the cost of all material, equipment, and labor required to accommodate DISTRICT's testing efforts, including any travel required by Contractor's forces, shall be included in Contractor's bid and distributed in the Schedule of Pay Items related to the

materials requiring testing. No additional compensation shall be made to the Contractor for this Work.

3.8 LOCAL CONDITIONS AND REQUIREMENTS

A. Access to Work and Haul Routes

1. General. All work on the rights-of-way necessary for access to the Site shall be performed by the Contractor.
2. Access, Damage, Restoration. The Contractor shall make his own investigation of the condition of available public or private roads and of clearances, restrictions, bridge-load limits, permit or bond requirements, and other limitations that affect or may affect transportation and ingress or egress at the Site. Claims for changes in Contract Price or Contract Times arising out of the unavailability of transportation facilities or limitations thereon shall not be considered by DISTRICT.
3. The Contractor shall maintain and repair any damage arising out of Contractor's operations to all roads used during construction of the Project, and upon completion of all Work, but prior to final acceptance, the roads shall be restored to their original condition. Prior to using any road for access to the Site, the Contractor shall conduct a photograph and/or video survey of the roadway with a copy submitted to DISTRICT's Representative.
4. Cost. Unless otherwise called for by the Contract Documents, the cost of all material, equipment, and labor required to complete this Work, shall be included in Contractor's bid and distributed in the Schedule of Pay Items. No additional compensation shall be made to the Contractor for this Work.

B. Power. Contractor shall provide at its own expense all necessary power required for operations under the contract. The Contractor shall provide and maintain in good order such modern equipment and installations as shall be adequate in the opinion of the Engineer to perform in a safe and satisfactory manner the Work required by the contract.

C. Construction Water.

1. Construction water shall not be used for purposes other than those required to satisfactorily complete the contract.
2. All connections to the DISTRICT's water system used for the purposes of obtaining construction water shall utilize a temporary construction meter and backflow prevention device supplied by the DISTRICT. The DISTRICT-furnished backflow prevention device shall be tested immediately after installation and the construction meter and backflow prevention device shall not be placed into service until the backflow prevention device passes such tests. Backflow prevention device testing shall be performed in accordance with the most recent edition of the Manual of Cross-Connection Control as published by the University of Southern California by a person selected from Borrego Water District's "DISTRICT-Approved Certified Backflow Assembly Testers" list, and test results

shall be provided to the Engineer. If the temporary construction meter and backflow prevention device are moved to alternate location(s) during construction, the backflow prevention device shall again be tested as described above immediately after re-installation.

3. For each temporary construction meter requested by the Contractor for the performance of work under this contract, an amount equivalent to the deposit requirement for temporary construction meters listed in the current approved version of the DISTRICT's Policies and Procedures Manual shall be withheld from the final contract payment until the temporary construction meters are returned.

D. Operation of Existing Water Facilities

1. The Contractor shall not operate any of the existing water systems, including pumps, motors, and hydrants, but shall contact the DISTRICT two (2) working days in advance with a list and location of the water system facilities that will require operating, opening, stopping, or closure by the DISTRICT.
2. At the option of the Engineer, the Contractor may be permitted to operate valves for the purpose of making connections to existing mains. The DISTRICT will perform all notification to existing customers regarding temporary loss of service.
3. Contractor shall submit a request on DISTRICT's standard form for any shut-down of existing water facilities.

E. Construction at Existing Utilities

1. General. Where the Work to be performed crosses or otherwise interferes with water, sewer, gas, or oil pipelines; buried cable; or other public or private utilities, the Contractor shall perform construction in such a manner so that no damage will result to either public or private utilities. It shall be the responsibility of the Contractor to determine the actual locations of, and make accommodations to maintain, all utilities.
2. Permission, Notice and Liability. Before any utility is taken out of service, permission shall be obtained by the Contractor from the owner. The owner, any impacted resident or business owner and the DISTRICT Representative will be advised of the nature and duration of the utility outage as well as the Contractor's plan for providing temporary utilities if required by the owner. The Contractor shall be liable for all damage which may result from its failure to maintain utilities during the progress of the Work, and the Contractor shall indemnify DISTRICT as required by the Contract Documents from all claims arising out of or connected with damage to utilities encountered during construction; damages resulting from disruption of service; and injury to persons or damage to property resulting from the negligent, accidental, or intentional breaching of utilities.
3. Cost. Unless otherwise called for by the Contract Documents, the cost of all material, equipment, and labor required to complete this Work, shall be included in Contractor's bid and distributed in the Schedule of Pay Items. No additional compensation shall be made to the Contractor for this Work.

F. Traffic Control

1. General. Contractor shall abide by traffic control plans approved by the appropriate jurisdiction.
2. Protections. Roads subject to interference by the Work shall be kept open or suitable temporary passages through the Work shall be provided and maintained by the Contractor. The Contractor shall provide, erect, and maintain all necessary barricades, suitable and sufficient flasher lights, flag persons, danger signals, and signs, and shall take all necessary precautions for the protection of the Work and the safety of the public. No construction work along public or private roads may proceed until the Contractor has proper barricades, flasher lights, flag persons, signals, and signs in place at the construction site.
3. Cost. Unless otherwise called for by the Contract Documents, the cost of all material, equipment, and labor required to complete this Work, shall be included in Contractor's bid and distributed in the Schedule of Pay Items. No additional compensation shall be made to the Contractor for this Work.

G. Cleaning Up

1. Contractor at all times shall keep premises free from debris such as waste, rubbish, and excess materials and equipment. Contractor shall not store debris under, in, or about the premises. Contractor shall also clean all asphalt and concrete areas to the degree necessary to remove oil, grease, fuel, or other stains caused by Contractor operations or equipment. The use of water, resulting in mud on streets, will not be permitted as substitute for sweeping or other methods. Dust control may require having a water truck onsite for the duration of the project, and/or use of temporary hoses and pipelines to convey water.
2. Contractor shall fully clean up the site at the completion of the Work. If the Contractor fails to immediately clean up at the completion of the Work, the DISTRICT may do so and the cost of such clean up shall be charged back to the Contractor.

3.9 ENVIRONMENTAL QUALITY PROTECTION

A. Environmental Conditions

NOT USED.

B. Landscape and Vegetation Preservation

1. General. The Contractor shall exercise care to preserve the natural landscape and vegetation, and shall conduct operations so as to prevent unnecessary destruction, scarring, or defacing of the natural surroundings in the vicinity of the Work.
2. Damage and Restoration. Movement of crews and equipment within the rights-of-way and over routes provided for access to the Work shall be performed in a

manner to prevent damage to property. When no longer required, construction roads shall be restored to original contours.

3. Upon completion of the Work, and following removal of construction facilities and required cleanup, land used for construction purposes and not required for the completed installation shall be scarified and regraded, as required, so that all surfaces are left in a condition that will facilitate natural revegetation, provide for proper drainage, and prevent erosion.
4. Cost. Unless otherwise called for by the Contract Documents, the cost of all material, equipment, and labor required to complete this Work, shall be included in Contractor's bid and distributed in the Schedule of Pay Items. No additional compensation shall be made to the Contractor for this Work.

C. Protected Species

1. General. If, in the performance of the Work, evidence of the possible occurrence of any Federally listed threatened or endangered plant or animal is discovered, the Contractor shall notify the DISTRICT Representative immediately, giving the location and nature of the findings. Written confirmation of the evidence, location and nature of the findings shall be forwarded to DISTRICT within 2 Days.
2. Procedures. The Contractor shall immediately cease all construction activities in the immediate area of the discovery to the extent necessary to protect the endangered plant or animal.

If directed by the DISTRICT Representative, Contractor will refrain from working in the immediate area, suspend the Work in its entirety, or alter its performance to ensure full compliance with all applicable permits, laws and regulations. Any DISTRICT directed changes to the Work as a result of a siting will be pursuant to the Contract Documents.

3. False Siting. Any costs or delays incurred by DISTRICT or the Contractor due to unreasonable or false notification of an endangered plant or animal will be borne by the Contractor.
4. Cost. Unless otherwise called for by the Contract Documents, the cost of all material, equipment, and labor required to comply with this paragraph, shall be included in Contractor's bid and distributed in the Schedule of Pay Items. No additional compensation shall be made to the Contractor for this Work.

D. Preservation of Historical and Archeological Resources

1. General. If, in the performance of the Work, Contractor should unearth cultural resources (for example, human remains, animal bones, stone tools, artifacts and/or midden deposits) through excavation, grading, watering or other means, the Contractor notify the Construction/Archeological Monitor and/or the DISTRICT Representative immediately, giving the location and nature of the findings. Written confirmation of the evidence, location and nature of the findings

shall be forwarded to the Construction/Archeological Monitor and/or DISTRICT within 2 Days.

2. Procedures. The Contractor shall immediately cease all construction activities in the immediate area of the discovery to the extent necessary to protect the cultural resource.

If directed by the DISTRICT Representative, Contractor will refrain from working in the immediate area, suspend the Work in its entirety, or re-sequence and/or alter its performance to ensure full compliance with all applicable permits, laws and regulations. Should the presence of cultural resources be confirmed, the Contractor will assist the DISTRICT Representative and the Construction/Archeological Monitor in the preparation and implementation of a data recovery plan. The Contractor shall provide such cooperation and assistance as may be necessary to preserve the cultural resources for removal or other disposition. Any DISTRICT directed changes to the Work as a result of the cultural resource will be pursuant to the Contract Documents.

3. Contractor's Liability. Should Contractor, without permission, injure, destroy, excavate, appropriate, or remove any cultural resource on or adjacent to the Site, it will be subject to disciplinary action, arrest and penalty under applicable law. The Contractor shall be principally responsible for all costs of mitigation and/or restoration of cultural resources related to the unauthorized actions identified above. Contractor shall be required to pay for unauthorized damage and mitigation costs to cultural resources (historical and archeological resources) as a result of unauthorized activities that damage cultural resources and shall indemnify DISTRICT pursuant to the Contract Documents.
4. Cost. Unless otherwise called for by the Contract Documents, the cost of all material, equipment, and labor required to comply with this paragraph, shall be included in Contractor's bid and distributed in the Schedule of Pay Items. No additional compensation shall be made to the Contractor for this Work.

E. Dust and Pollution Control

1. Contractor shall provide all necessary material, equipment and labor to prevent and control the emission of dust and any other potential pollutant on site.
2. Contractor shall not discharge into the atmosphere from any source smoke, dust or other air contaminants in violation of the law, rules, and regulations of the governing agency.
3. Cost. Unless otherwise called for by the Contract Documents, the cost of all material, equipment, and labor required to comply with this paragraph, shall be included in Contractor's bid and distributed in the Schedule of Pay Items. No additional compensation shall be made to the Contractor for this Work.

F. Fugitive Dust

NOT USED.

G. Management of Storm, Surface and Other Waters

1. Storm water, surface water, groundwater, and nuisance, or other waters may be encountered at various times during construction of the Project. Federal and State laws require the DISTRICT and its contractors to manage such waters pursuant to the requirements of California State Water Resources Control Board Order Number 2009-0009-DWQ, the Federal Clean Water Act, and the California Porter Cologne Water Quality Control Act. Contractor acknowledges that it has investigated the risk arising from such waters in conjunction with the Project, and assumes any and all risks and liabilities arising therefrom.
2. The Contractor shall perform all construction operations in such a manner as to comply, and ensure all subcontractors to comply, with all applicable Federal, State, and local laws, orders, and regulations concerning the control and abatement of water pollution; and all terms and conditions of any applicable permits issued for the Project. In the event there is a conflict between Federal, State, and local laws, regulations, and requirements, the most stringent shall apply.
3. Contractor violations. If noncompliance should occur, the Contractor shall report this to the DISTRICT Representative immediately, with the specific information submitted in writing within 2 Days. Consistent violations of applicable Federal, State, or local laws, orders, regulations, or Water Quality Standards may result in DISTRICT stopping all site activity until compliance is ensured. The Contractor shall not be entitled to any change in Contract Price or Contract Times, claim for damage, or additional compensation by reason of such a work stoppage. Corrective measures required to bring activities into compliance shall be at the Contractor's expense.
4. Compliance with Construction General Storm water Permit. Contractor shall be required to comply with all aspects of the State Water Resources Control Board (State Board) Water Quality Order No. 2009-0009-DWQ, National Pollutant Discharge Elimination System General Permit for Storm Water Discharges Associated with Construction Activity (Permit) for all projects that involve construction on or disturbance of one acre or more of land or which are part of a larger common area of development.
 - (a) Contractor shall prepare and implement a Storm Water Pollution Prevention Plan (SWPPP) for the Project site based on the appropriate Risk Level requirements, and draft and coordinate submittal of all Permit related documents with DISTRICT's Legally Responsible Person and/or Authorized Signatory as those terms are defined in the Permit. The Contractor shall submit the SWPPP to the DISTRICT Representative for review not less than fifteen (15) Days prior to the start of on- site construction work. DISTRICT will file the Notice of Intent and pay the filing fee.
 - (b) The SWPPP shall be developed by a Qualified SWPPP Developer and implemented by a Qualified SWPPP Practitioner as those terms are defined in the Permit and shall include industry standard requirements for water quality control including but not be limited to the following:
 - (1) Sediment and erosion control measures to manage sediment and

erosion including vegetative practices, structural control, silt fences, straw dikes, sediment controls or operator controls as appropriate. Storm water management measures shall be instituted as required, including velocity dissipaters, and solid waste controls shall address controls for building materials and offsite tracking of sediment.

- (2) Wastewater and storm water management controls to divert offsite surface flows around the Project site and to divert surface flows within the Project area away from areas of open earth or stockpiles of building and other materials. Wastewater from general construction activities, such as drain water collection, aggregate processing, concrete batching, drilling, grouting, or other construction operations, shall not enter flowing or dry watercourses without having met the authorized non-storm water discharge requirements listed in State Board Water Quality Order No. 2009-0009-DWQ, Section III.C., including proper notification to the Regional Water Board.
- (3) Pollution prevention measures including methods of dewatering, unwatering, excavating, or stockpiling earth and rock materials which include prevention measures to control silting and erosion, and which will intercept and settle any runoff of sediment-laden waters.
- (4) Turbidity prevention measures for prevention of excess turbidity including, but are not restricted to, intercepting ditches, settling ponds, gravel filter entrapment dikes, flocculating processes, recirculation, combinations thereof, or other approved methods that are not harmful to aquatic life. All such wastewaters discharged into surface waters, shall contain the least concentration of settleable material possible, and shall meet all conditions of section 402, the National Pollutant Discharge Elimination System (NPDES) permit.
- (5) Overall construction site management measures to address changes at the Project site as the Project moves through different phases and changes that account for rainy and dry season management practices.
- (6) Pollution control measures and construction activity methods that will prevent entrance, or accidental spillage, of solid matter, contaminants, debris, or other pollutants or wastes, into streams, flowing or dry watercourses, lakes, wetlands, reservoirs, or underground water sources. Such pollutants and wastes include, but are not restricted to: refuse, garbage, cement, sanitary waste, industrial waste, hazardous materials, radioactive substances, oil and other petroleum products, aggregate processing, tailings, mineral salts, and thermal pollution.
- (7) Control measures for stockpiled or deposited materials prohibiting the stockpile or deposit of excavated materials, or other construction materials, near or on stream banks, lake shorelines, or other watercourse perimeters where they can be washed away by high water or storm runoff, or can, in any way, encroach upon the watercourse.
- (8) Develop and implement a Rain Event Action Plan (REAP), if required, that must be designed and implemented to protect all exposed portions of the site 48 hours prior to any likely precipitation event.

- (9) Monitoring, reporting and record keeping, as necessary to achieve compliance with applicable Permit requirements, including but not limited to annual reports and rain event reports.
 - (c) Before any Permit related documents, including the SWPPP, rain event reports, or annual reports may be submitted to the State Board or implemented on the Project site, they must first be reviewed and approved by DISTRICT.
 - (d) DISTRICT retains the right to procure and maintain coverage under the Permit for the Project site if the Contractor fails to draft a SWPPP or other Permit related document, or fails to proceed in a manner that is satisfactory to DISTRICT. DISTRICT reserves the right to implement its own SWPPP at the Project site, and hire additional contractors to maintain compliance. Whether Contractor has adequately maintained compliance with the Permit shall be DISTRICT's sole determination. In the event that Contractor has failed or is unable to maintain compliance with the Permit, any costs or fines incurred by DISTRICT in implementing a SWPPP, or otherwise maintaining compliance with the Construction General Permit shall be paid by the Contractor.
5. Failure to implement the SWPPP or otherwise comply with the Permit is a violation of federal and state law. Contractor hereby agrees to indemnify DISTRICT as required by the Contract Documents for any noncompliance or alleged noncompliance with the Permit arising out of or in connection with the Project, except for liability resulting from the sole established negligence, willful misconduct or active negligence of DISTRICT. DISTRICT may seek damages from Contractor for delay in completing the Contract in accordance with the Contract Documents, caused by Contractor's failure to comply with the Permit. In addition to compliance with the Permit, Contractor shall comply with the lawful requirements of any applicable municipality, district, drainage district, flood control district, and other local agencies regarding discharges of storm water, surface water, groundwater or other nuisance waters off of the Project site.
6. Oil storage tanks management.
- (a) Storage tank placement. All oil or other petroleum product (hereinafter referred to collectively as oil) storage tanks shall be placed at least 20 feet from streams, flowing or dry watercourses, lakes, wetlands, reservoirs, and any other water source.
 - (b) Storage area dikes. Storage areas shall be diked at least 12 inches high or graded and sloped to permit safe containment of leaks and spills equal to the capacity of all tanks and/or containers located within each area, plus a sufficient amount of freeboard to contain the 25-year rainstorm.
 - (c) Diked area barriers. Diked areas shall have an impermeable barrier at least 10 mils thick. Areas used for refueling operations shall have an impermeable liner at least 10 mils thick buried under 2 to 4 inches of soil.
 - (d) Spill Prevention Control and Countermeasure Plan (SPCC). Where the location of a construction site is such that oil from an accidental spillage could reasonably be expected to enter into or upon the navigable waters of the

United States or adjoining shorelines, and the aggregate storage of oil at the site is over 1,320 gallons or a single container has a capacity in excess of 660 gallons, the Contractor shall prepare an SPCC Plan. The Contractor shall submit the SPCC Plan to the Engineer at least 30 days prior to delivery or storage of oil at the site. The Plan must have been reviewed and certified by a registered professional engineer in accordance with 40 C.F.R., part 112

7. Underground tank prohibition. The Contractor shall not use underground storage tanks.
8. Construction safety standards. The Contractor shall comply with the sanitation and potable water requirements of Section 7 of United States Bureau of Reclamation's publication "Reclamation Safety And Health Standards."
9. Other Permits.
 - (a) Other permits applicable to the Project are listed in the Special Conditions. The Contractor shall obtain all other necessary licenses and permits.
 - (b) Monitoring. The Contractor is required to conduct monitoring in order to meet the requirements of the permits, which may include sampling, testing and inspections.
 - (c) Recordkeeping. The Contractor shall retain all records and data required by the permits for the time specified in the contract.
10. Cost. Except as specified herein, the cost of complying with this section shall be included in the Schedule of Pay Items for work which necessitate the water pollution prevention measures required by this paragraph.

END OF GENERAL REQUIREMENTS

TECHNICAL SPECIFICATIONS

1.1. WELL CONSTRUCTION:

All technical specifications included in this section apply to the construction of the new extraction well and are to be implemented during construction of Well ID-4-4. If the alternate bid items to construct the second extraction well are awarded by the DISTRICT, these technical specifications shall also apply and be implemented during construction of the second extraction well.

1.1.1. Operating Requirements for Water Well Drilling and Construction

The Contractor shall provide, in addition to the proposed construction schedule following the District's acceptance of the Proposal, a description of the proposed drilling program including method, on-site equipment, fluids, and additives to be used. The proposed drilling program must include information regarding the types of fluid to be used, intended drilling fluid weights, viscosities, sand and solids contents, water loss control, **and the specification of all additives** to be used.

Excavated pits for drilling fluid circulation will be prohibited. Contractor shall furnish a mud pump, shaker, desander and drilling fluids storage system capable of circulating at a minimum 500 gallons per minute. The solids (sand) content of the drilling fluids re-circulated to the borehole shall not exceed 2% at any time during drilling operations. Generation of these "heavy" drilling fluids shall require removal and off-site disposal by pump truck. All fluids generated during initial well development and pumping shall be conveyed through the series of tanks described above prior to disposal.

The drill cuttings can be stockpiled on site to dry and the final disposition of cuttings will be the responsibility of the District.

All clean development and test water will be discharged to land surface.

Delays during the drilling operation caused by the inadequacy of the drilling equipment shall be the responsibility of the Contractor. Owner will require replacement of such inadequate equipment by the Contractor. This does not include the mechanical failure of equipment normally considered capable of performing the required work. The Contractor shall be held responsible for, and payment may be withheld for, damages done to the well from faulty operation due to negligence or any other cause.

The equipment to be furnished for the specified well drilling and construction shall comply with all State and local safety regulations, shall be subject to the inspection and approval of the Owner, and shall meet the minimum requirements and include the equipment listed below:

- a. **Direct or Reverse circulation rotary drilling equipment**, including mast, substructure, draw works and prime mover with sufficient capacity to drill and ream the required diameter borehole through the formations encountered in the area of drilling to a depth of 1,000 feet.
- b. All of the accessory equipment necessary for the completion of the work including an approved circulating cleaner system, equipment for measuring drilling fluid properties, sluce box or other equipment capable of separating cutting samples from drilling fluid, settlement system (tanks), groundwater level measuring instrument(s), bottom sounding device, and approved drill cutting sample bags.
- c. An auxiliary power plant (if needed, see II.2 below), sufficient in size to provide for all electrical power required during the entire operation of drilling and construction.
- d. Welding equipment and material, as needed.
- e. Portable sanitation facilities, including hand washing accommodations.
- f. Air compressor with adequate capacity for drilling and/or well development.
- g. Submersible and/or turbine well pump to perform zone testing, well development and pump testing.
- h. All other equipment necessary to complete work described herein including earthmoving equipment, and water trucks, as necessary.

The omission of listing equipment necessary to satisfactorily complete the work specified does not relieve the Contractor from providing necessary equipment. All equipment necessary to complete the work shall be determined by the Contractor and described to the District in the proposed drilling program within ten (10) working days of the District's acceptance of the Proposal.

1.1.2. Equipment and Operating Requirements for Development and Pump Testing

The Contractor shall furnish, install, operate and remove all equipment and tools, including a rig and appurtenances capable of setting and properly operating the pumping equipment, swabs and bailers to meet the requirements of the Contract for pump testing, development and cleaning of the well. All fuel, lubricating oil and other necessary materials shall be provided by the Contractor.

The pumping equipment shall be capable of pumping at a variable rate from 500 to 2,500 gallons per minute at a maximum pumping level of 700 feet below ground surface. The expected static groundwater level at the well site is approximately 293 feet bgs. The pumping unit shall be complete with a variable frequency drive, controls and appurtenances, and shall be capable of being operated without interruptions for a period of 48 hours.

The Contractor shall furnish all necessary discharge assemblage which shall be of sufficient size and length to allow the proper functioning of the discharge meter. The Contractor shall furnish, install and maintain a discharge meter capable of directly and accurately reading instantaneous flow in gallons per minute and total pumpage, a gate valve on the discharge line, and a pressure gage.

One 2-inch diameter PVC pipe and one 1.0-inch diameter PVC pipe shall be installed from each well head to a depth below the pump intake, to remain in place for the duration of the pump testing period as a conduit for measuring depth to groundwater, using an electrode type water-level indicator, and for sounding the accumulation of sediment at the bottom of the well during development. The bottom two feet of the 1.0-inch PVC pipe shall be perforated. The top of the pipe at the well head shall be installed in such a way as to allow easy access for groundwater level and well bottom measurements. The 2-inch diameter PVC pipe shall be open-ended and extend to a depth below the pump intake to allow for a spinner survey with a Titan Spinner/Flowmeter that has a tool diameter of 1.6875 inches or similar tooling approved by the District Representative. Should the PVC pipe break, become obstructed, or be rendered unusable for any reason during development and test pumping, the Contractor shall immediately reinstall the pipe at no additional cost to the District.

The Contractor shall provide two, probe-type water level measuring devices (primary and back-up) capable of measuring groundwater level to a depth of 700 feet bgs, as well as any additional equipment necessary for development and testing, including replacement equipment, unless otherwise noted herein.

1.1.3. Records and Samples

During the drilling of the pilot hole, the Contractor shall maintain careful and accurate real-time logging of each formation encountered a description of the materials at each change in formation, and the penetration rate of the drilling per drill stem. Additionally, the driller shall measure and record the weight, viscosity, and sand content of the drilling fluid, at periodic intervals as determined by the District Representative, to assure consistency with the Contractor's proposed drilling program (see II.1 above). Drilling fluid characteristics including viscosity, weight, sand content, water loss, and wall cake thickness shall be determined not less than every four hours by the Contractor and reported to the District Representative. At any time, the District Representative may request additional tests to be run or repeated. A record shall be maintained indicating

the addition and amount of approved chemical products or water required during drilling. The depths at which such changes are required shall also be including in the fluids log.

During all drilling and construction phases, the Contractor shall also record the work done during each day including the items of work accomplished, including but not limited to the following: 1) depth drilled; 2) properties of drilling fluid and amount of additives used; 3) casing set, including the number, size and length of individual pipe installed in the well; 4) volume and specifications of filter pack used; 5) volume and specifications for concrete used in the annular seal and all other pertinent data requested by the District Representative.

The above required data shall be recorded at the time of occurrences or observation. Records shall be legibly written and each recorded item or event shall include the date and the time of day. A copy of daily reports shall be submitted to the District Representative each day for the prior day's completed work. The State-required (i.e., Department of Water Resources) drilling report, shall be submitted to the District Representative upon completion of the project and before final payment is made. A consulting geologist or District staff will be on site to monitor activities and gather data on behalf of the District during drilling all or a portion of the pilot hole, reaming, well construction, and during development activities. This does not relieve the Contractor of his requirement to provide a driller's log of formations encountered for inclusion on the well completion report for each well.

During the drilling of the pilot hole, the Contractor shall carefully collect samples from the depth of the conductor casing to the total depth of the well at 10-foot intervals and at each change of formation. These samples shall be collected during the drilling and placed in bags with labels that indicate the depth from which each sample was obtained. The Contractor shall accurately account for the time required for cuttings to rise to the surface based on the volumetric flow of the drilling fluid from the hole. Samples collected shall be representative of the samples taken from the designated depth. Occasionally, extra samples will be sent for grain size analysis as directed by the District Representative. The method of collecting samples shall be subject to the approval of the District Representative. The Owner shall retain all samples.

Following the installation of the filter pack and throughout the development period, the Contractor shall maintain a written record that includes date, static groundwater level, time, pumping rate in gallons per minute and corresponding operating or pumping groundwater level. The Contractor's records throughout the development and test pumping activities shall include a **daily measurement of the static groundwater level at the beginning and ending of each work day, before commencement of any pumping or other development activities and at the end of all such activities, respectively**. All groundwater level data shall be recorded to the nearest tenth of a foot (0.1 ft). Entries shall be made for each change of pumping and when comment is desirable. During periods of constant pumping, entries shall be made at intervals of not more than one hour. Upon completion and before final payment, the Contractor shall

provide the District Representative with a copy of the development records. The District Representative shall maintain pump test records and shall request assistance, as needed, to obtain the necessary measurements. The Contractor shall have a worker available to assist the District Representative in taking measurements and to operate and service the pumping equipment.

1.1.4. Move-In and Site Preparation Work

The Contractor shall perform all necessary move-in and set-up, of all rigs, equipment and materials and all other miscellaneous work associated with drilling, well construction, development and testing at the well site. If additional temporary construction fencing is required to adequately enclose the work site, it shall be included as part of the site preparation work, and will be the responsibility of the Contractor.

The Contractor must satisfy as to the adequacy of the well site for drill rig set-up. Any earthwork necessary (e.g., compaction) to accommodate the drill rig or appurtenant drilling equipment and machinery (circulation system, mud tanks, etc.) shall be the responsibility of the Contractor. Any grading deemed necessary by the Contractor in preparation for site work shall be determined in advance and agreed to by the District Representative. Any excavated top soil shall be stockpiled on site for replacement at the completion of the project.

In the event of a spill or leakage of fuels, lubricants, or other hazardous materials during site move-in/move-out, drilling, development, or pumping operations, the Contractor shall take immediate steps to contain the spill. Clean-up and disposition of any hazardous materials released by Contractor during the conduct of the described work shall be completed to the satisfaction of the District Representative and shall be the responsibility of the Contractor.

1.1.5. Conductor Borehole, Casing and Sanitary Seal

This item includes drilling a conductor borehole, installation of conductor casing and installation of a cement grout sanitary seal in the annulus between the borehole and conductor casing to the minimum depth of 50 feet. The sanitary seal installed shall meet the requirements of California Department of Water Resources Bulletins 74-81 and 74-90, and all requirements of the County of San Diego Department of Environmental Health Services. Continuous (24-hour/day) operations will be allowed during borehole drilling. The conductor casing diameter, wall thickness and material shall have the following specifications:

- a. 40-inch diameter conductor borehole
- b. Minimum 50 feet depth
- c. 30-inch O.D., minimum 3/8-inch wall thickness

d. Mild steel, ASTM A53, Grade B or approved equal

During drilling, the Contractor shall collect and preserve representative samples of formation materials at 10-foot intervals and each major change in formation. Upon completion of drilling, the Contractor shall condition the borehole and take whatever steps are necessary to maintain and prevent collapse of the borehole prior to and during placement of the conductor casing and cement grout sanitary seal. All field joints shall be properly butt-welded to assure complete penetration during welding with a minimum of two passes. All joints shall be watertight. Special care shall be exercised to ensure that the casing is straight. All field welding shall be performed in accordance with American Welding Society Standards by a certified welder. Welder Certifications shall be specific to the metal type (i.e. stainless steel)

After the conductor casing is installed and aligned, the annular space between the conductor casing and the conductor casing borehole shall be filled with cement grout from the bottom of the borehole to the ground surface. The MINIMUM depth of the grout seal shall be 50 feet. The grout shall be pumped into the annular space through a tremie pipe installed to the bottom of the borehole. The bottom of the tremie pipe shall remain submerged in the grout throughout the placement of the grout. The placement procedure shall be approved by the District prior to installation of the grout seal. The Contractor shall take all precautions to prevent the collapse of the conductor casing and borehole during placement of the grout. The grout seal shall be placed in one continuous pour. The contractor shall not operate any equipment on-site during the 24-hour period immediately after the sanitary seal has been placed.

In the event the borehole or part of the borehole collapses prior to completion of grouting, the Contractor shall take whatever steps are necessary to reopen the borehole, reset the casing and place the grout as required. Any such remedial action shall be conducted at the Contractor's expense.

Potable water for use by the Contractor will be available from nearby fire hydrant. Any hard-plumbed connection must be protected by an air gap or approved by the District Representative. Water used by the Contractor will be metered by the District but will be provided at no charge.

Recirculation of drill cuttings with the drilling fluid shall be kept to a practical minimum.

1.1.6. Borehole

The Contractor shall drill a 17.5-inch diameter pilot borehole to a depth of 1,000 feet. Continuous (24-hour/day) operations will be allowed during pilot borehole drilling. The diameter shall not exceed 17.5 inches without the approval of the District Representative. The borehole shall be drilled to a depth of approximately 1,000 feet below the existing ground surface at the well location. The exact total depth shall be as

directed by the District Representative, and will be determined by the nature of the materials encountered.

The drilling fluid shall possess such characteristics as are required to (a) adequately maintain the walls of the borehole to prevent caving, (b) permit recovery of representative samples of drill cuttings, (c) prevent the swelling of clay zones, (d) prevent loss of shear strength or other borehole stability problems, and (e) allow the fluid and mud cake to be readily removed from the borehole and borehole wall during placement of the gravel pack and development of the well. It shall be the responsibility of the Contractor to collect, measure, and record drilling fluid samples. Unless otherwise approved by the District's Representative, only fresh water with Baroid Poly-Bore shall be used as the circulating medium for reverse circulation method. Any other method must be disclosed for approval by the District Representative. If 'lost circulation' or other drilling problems require the addition of bentonite gel or other materials, such materials may be added only with the prior approval of the District Representative.

For direct mud rotary method only high-grade approved products such as Baroid Aqua-Gel or Quick-Gel, or other product pre-approved by the District Representative shall be used in the make-up of the drilling fluid. Drilling with a mixture of water and unprocessed mud, clay, or other material will not be permitted.

Potable water for use by the Contractor will be available from nearby fire hydrant. Any hard-plumbed connection must be protected by an air gap or approved by the District Representative. Water used by the Contractor will be metered by the District but will be provided at no charge.

As described in II.3 above, the Contractor shall periodically collect samples, representative of the strata penetrated, for lithological description and grain size analysis. Recirculation of drill cuttings with the drilling fluid shall be kept to a practical minimum.

1.1.7. Borehole Deviation

At the discretion of the District Representative, evaluation of borehole deviation may be requested, to be performed by a professional logging service, following the drilling of the hole, as a component of the geophysical logging (see item II.7 below). The subcontractor(s) proposed to complete the geophysical logging shall be submitted to the Owner and District Representative for review and approval prior to Contractor mobilization. The maximum allowable horizontal deviation (drift) of the borehole from the vertical shall not exceed one diameter of the borehole per 200 feet of depth.

1.1.8. Electric Log of Borehole

Upon completion of the borehole, the Contractor shall condition the hole and drilling fluid for geophysical logging (electric log) of the hole. The electric logging of the hole shall

consist of spontaneous potential, 16- and 64-inch resistivity surveys, a guard log, a borehole deviation survey, and a natural gamma survey, all in API format. Six (6) copies of the various logging runs shall be delivered to the District Representative on site immediately following the logging of the hole, **at a vertical scale of 2 inches equals 100 feet.**

1.1.9. Isolated Aquifer Zone Testing (optional)

This optional line item includes installation of sampling equipment in the pilot borehole, development pumping, water quality sampling and analyses, and groundwater level monitoring to be completed at the option of the District in isolated aquifer zones selected by the District. Upon completion of the downhole geophysical surveys, the District will prepare a schedule of testing and sampling for specific isolated aquifer zones. The schedule will specify the number and depth of individual zones to be tested, depth intervals for gravel pack and seals, specific sampling requirements and method of pumping for sample collection (air-lift and/or submersible pump).

The Contractor shall be responsible for the collection, storage, transport and analysis of groundwater samples during isolated aquifer zone testing. Laboratory analyses of water samples shall include the chemicals listed and be completed within 48 hours after submittal to the laboratory. Laboratory results shall be provided to the District in paper copy and District approved digital formats on compact disk.

1.1.10. Final Reamed Borehole and Caliper Survey

This item includes reaming the pilot borehole to the final borehole diameter(s) and depth(s) specified by the District in the final well design. Upon receipt of a written final well design from the District, the Contractor shall ream the pilot borehole to a diameter of 26 inches and to a depth to be specified upon completion of the pilot borehole and zone testing.

A record shall be kept by the Contractor showing any variation in the addition and amount of drilling fluid or water required during the drilling operation. The depths at which such changes are required shall be shown in the daily reports.

Upon completion of the reaming operations, a caliper survey and deviation survey shall be run to verify the alignment, final diameters and depths reamed. If the caliper survey shows the reamed borehole to be less than the specified diameter(s) at any point or the final borehole is less than the specified depth, the borehole shall be re-reamed or re-drilled and re-surveyed at the Contractor's expense.

1.1.11. Installation of Well Casing and Screen

The Contractor shall, upon completion of reaming and caliper survey, install a string of casing and screen as directed by the District Representative in the approved final well

design. The casing shall extend 12 inches above the existing ground surface. The entire well casing string (i.e., blank casing, well screen, final blank section, and bottom plate) shall be suspended in tension from the surface by means of an appropriate hanger or clamp prior to placement of the filter pack so that the casing is not supported from the bottom of the hole.

The blank casing shall be 16-inch diameter mild steel well casing. The Contractor shall install a dielectric coupler (mechanical connector) anywhere mild steel and stainless steel casing connected to minimize potential for corrosion between dissimilar metals. The mechanical connector shall be manufactured by Roscoe Moss or other approved manufacturer.

The well screen shall be manufactured in accordance with the aforementioned casing requirements for blank casing. The screened well casing shall be 16-inch diameter 304L stainless steel, louvered type Roscoe Moss Ful Flo Shutter Screen with machine made openings that are horizontal to the axis of the casing with an aperture facing downward. For bidding purposes only, the aperture size shall be 0.060 inches. Actual specifications for the screened casing will be determined by the District following interpretation of grain size analyses and electrical logging results and will be specified in the final well design prepared by the District. The blank well casing shall have the same I.D., thickness as the screened well casing.

The blank casing and screen shall be plumb and centered in the hole. Centralizers with 120 degree spacing shall be installed to blank casing sections, as specified in this section unless otherwise directed by the District Representative, to hold the casing in the proper position for placement of the filter pack. Three centralizers shall be placed as follows: 1) five feet from the bottom of the casing; 2) five feet above the uppermost screen; and 3) sixty feet from the ground surface. The guides shall be placed in the blank casing sections only. No centralizers shall be attached adjacent to screened casing.

All field joints shall be properly lap or butt-welded during installation with a minimum of two continuous passes per circumference. All field welding shall be performed in accordance with American Welding Society Standards by a certified welder. Welder Certifications shall be specific to metal type (i.e. stainless steel certification).

A 3-inch diameter permanent gravel feed tube shall be installed in the reamed borehole prior to installation of the well casing. The gravel feed tube shall consist of 3.5-inch outside diameter mild steel flush treaded to Schedule 80 PVC for the section of tube adjacent to any stainless steel well casing. The bottom of the tube shall be placed below the planned top of the gravel pack as specified in the final well design. The top of the gravel feed tube shall extend above the ground surface.

A temporary construction tremie pipe shall be installed in the reamed borehole prior to installation of well casing. The tremie pipe shall be used to install gravel pack, annular

seal and sanitary seal materials in the annulus between the well casing and borehole. The tremie pipe shall be completely removed after placement of the upper annular seal.

Sounding tubes shall be installed as specified in the final well design. Sounding tubes shall enter the well casing at the depths specified in the final well design. At the point of entry, a sounding tube shall be securely welded to the casing in a manner and at an angle approved by the District. All rough cut edges shall be ground smooth prior to completing the splice.

1.1.12. Installation of Filter Pack

Upon completion of the installation of the well casing string, the Contractor shall circulate the drilling fluid and any chemical additives in order to remove all solids from the completion fluid in preparation for the installation of the filter pack.

The filter pack material shall be natural, hard, water worn, well rounded and washed clean of all clay, silt and foreign material. Mechanically crushed rock will not be acceptable. For bidding purposes only, the required filter pack material shall be NSF 61 approved by SRI Supreme with U.S. Standard Sieve Size 8X16, or equivalent approved by the District Representative. Filter pack material shall be delivered to the site in “super sacks”, weighed by a certified weigh master prior to delivery. Accurate volume measurement may substitute for weighing certification.

Actual filter pack specifications shall be determined by the District following interpretation of grain size analyses and geophysical logging (i.e., e-log) results and will be specified in the final well design prepared by the District. A certificate of quality and gradation of the filter pack material from an approved testing laboratory shall be submitted to the District Representative for every 40 sacks delivered to the site, before the filter pack material is delivered to the site.

Prior to placement of the filter pack in the well, the drilling fluid shall be thinned with clean water to reduce weight and viscosity. Disinfection of the filter pack shall follow the guidelines contained in Section 3.1, AWWA 654-03 and shall include the following: 1) sodium hypochlorite solution or calcium hypochlorite shall be added to the circulating fluid until a concentration of 50 mg/l is achieved in the entire volume of fluid within the well hole; 2) calcium hypochlorite powder or tablets (5 gram size max) shall be uniformly mixed with the filter pack at a rate of ¼ pound per ton of filter pack prior to placement in the well. Chlorinated water shall be circulated while installing the filter pack. The filter pack shall be placed by pumping through a tremie pipe extending to the bottom of the casing-hole annulus. The tremie pipe shall gradually be withdrawn as the filter pack is placed. Circulating shall be continued during placement until the filter pack is completely in place. Before the filter pack installation begins, the Contractor shall make adequate preparations to insure that circulation will be continuous.

The gravel pack shall be installed in the annular space between the reamed borehole and well casing through a construction tremie pipe from the bottom of the borehole. A circulating system with one or more positive displacement pumps utilizing fresh water shall be used for the purpose of introducing the gravel into the annulus. Under no circumstances will the gravel pack be allowed to “free-fall” down into the annular space. The Contractor shall be responsible for any damage to the well resulting from the filter pack installation process.

The Contractor shall provide to the District an estimate of the volume of annular space between the casing and borehole wall prior to installing the gravel pack. The Contractor shall also record the volume of gravel installed. The volume shall not be less than the calculated volume of the annular space between the casing and the borehole wall based on the caliper survey. A significant discrepancy may be grounds for rejection of the well by the District.

1.1.13. Development

Prior to any development activity, the Contractor is required to sound and record the depth to the bottom of the well. This can be accomplished by a weighted wireline or other equivalent means.

The Contractor shall initially develop the well by line swabbing with a bailer or swab opposite the perforations to stabilize and settle the gravel pack. The gravel pack will be topped off during swabbing operations, as necessary. After initial swabbing has been completed, the Contractor shall remove all accumulations of mud, sand, or gravel to the full depth of the well using a bailer. The total number of feet of material swabbed into the well shall be recorded in the driller’s log.

Following initial swabbing and removal of accumulated debris, development will continue using air-lift pumping in conjunction with a dual swab development tool. The tool will consist of a 10-foot length of perforated pipe with flexible rubber swabs attached to each end. The tool shall be mounted on an eductor pipe and raised and lowered for a minimum of 15 minutes for every 20-foot screened section while water is simultaneously pumped through the eductor by air lifting. Dual swab airlifting development shall proceed from top to bottom of the screen in 20-foot sections until complete to the satisfaction of the District Representative. The Contractor shall provide sufficient airline diameter, airline submergence, eductor pipe diameter, and air compressor capacity in combination to produce a flow rate of at least 300 gallons per minute from the swab development tool. The Contractor shall bail or air lift sediment from the bottom of the well periodically during and at the end of well swab development activities as directed by the District Representative.

Upon completion of development and removal of collected debris, the Contractor shall install the test pump and discharge to land surface in accordance with the District’s NPDES Permit. All drilling fluid will be retained on site. Discharge of the chlorinated well

water shall be treated with sodium thiosulfate to remove chlorine residual. The use of temporary storage tanks (e.g., Baker tanks), of sufficient size to allow for the adequate settlement of solids (as described above), shall be required to assure compliance with discharge requirements.

The initial pumping rate shall be restricted and, as the water clears, shall be gradually increased until a maximum rate is reached. The maximum rate will be determined by the District Representative, after consideration of the well's drawdown and discharge characteristics but will not exceed 2,500 gpm. At proper intervals, the pump shall be stopped and the water in the pump column shall be allowed to surge back through the pump bowls and through the screened portion of the well.

The Contractor shall continue development as directed by the District Representative. During development, sand production will be measured using centrifugal sand separating device (i.e., Rossum sampler) supplied by the Contractor and installed on the discharge piping, if necessary.

1.1.14. Pumping Test

Following development operations and at least a twenty-four (24) hour groundwater level recovery period, well testing shall begin under the direction of the District Representative. The Contractor shall pump the well at three (3) or four (4) constant discharge rates as designated by the District Representative. The pumping rates shall be uniformly increased until the final pumping rate is near the maximum pump-well capacity. It is estimated that the total "step" pump test shall require a pumping period of at least twelve (12) hours.

Upon completion of the "step" pump test, the groundwater level shall be allowed to recover for at least twenty-four (24) hours. Following the groundwater level recovery, the Contractor shall be prepared to conduct a "constant rate" pump test under the direction of the District Representative. If deemed necessary, the "constant rate" pump test would require a continuous pumping period of at least 48 hours at a rate to be determined by the District Representative.

The District Representative shall measure the groundwater level recovery for twelve (12) hours after completion of test pumping. At the end of the test pumping, the Contractor shall sound the depth to the bottom of the well to measure any accumulation of sediment. The Contractor shall not be required to have personnel at the well during the recovery periods.

Should a breakdown of the equipment occur prior to the completion of the pumping test period that renders the test results invalid, the Contractor, at his expense, must then proceed, after a sufficient recovery period, with a new test period. The District Representative shall determine if the test results are invalid and length of the recovery period. Time stated for the duration of the test period is an estimate only and the District

Representative reserves the right to require the Contractor to reduce such period of test, change the discharge rate, or change the test procedure.

Prior to commencing the constant-rate discharge test, the District and Contractor shall set a start time for the flow meter survey. The flow meter survey shall be run at the rate of discharge selected for the constant rate discharge test.

1.1.15. Video Survey, and Alignment/Deviation Tests

A color video survey shall be conducted after removal of the test pump and before final disinfection of the well. The survey shall be conducted (1) after all sediment accumulating in the well from test pumping has been removed, (2) after fresh water has been introduced from the surface to clarify water standing in the well, and (3) before final disinfection of the well. Video survey results will serve as a final inspection document for the well.

The Contractor shall conduct alignment/deviation tests, using a gyroscopic tool, to determine the plumbness and straightness of the well casing. The alignment/deviation test shall be conducted throughout the entire length of casing and screen. Alignment tests shall be conducted upon completion of the downhole color video survey.

1.1.16. Disinfection

Prior to removal of the test pump from the well and final well cleaning, the Contractor shall sterilize the well in accordance with Section 5.1, AWWA C654-03, Standard for Disinfection of Wells, and as directed by the District Representative. After disinfection and flushing of the well, the District Representative shall sample the well water for coliform bacteria. If testing indicates the presence of coliform bacteria, Contractor shall repeat the disinfection and flushing procedure at no additional cost to the District until satisfactory results (i.e., no coliform bacteria detected) are achieved. "Pool" chlorine will not be acceptable for well disinfection. Chlorine products used for disinfection of the well shall be designed for potable water use (i.e., NSF 61 certified), delivered to the site in original closed containers, and bear the original label, indicating the percentage of available chlorine.

Chlorinated well water shall be treated with sodium thiosulfate or equivalent, as directed by the District Representative, to remove residual chlorine from the discharge water.

1.1.17. Well Capping

At times during the progress and at completion of the work, the Contractor shall protect the well in such manner as will effectively prevent either tampering with the well or entrance of foreign matter into it, and. Upon completion of well disinfection, the well casing and all accessory tubing shall be capped with welded steel plates.

1.1.18. Move-Out, Clean-up and Miscellaneous Work at Well

Following completion of all well pumping and clean-up work to the satisfaction of the District Representative, the Contractor will move all equipment (including sanitation facilities) off the site. Final disposition of cuttings will be the District's responsibility. Final site restoration following completion of the work will be the responsibility of the District.

PROJECT PLANS AND TECHNICAL SPECIFICATIONS - ATTACHED



FIGURE 1
Proposed Production Well Site Location Map
 Borrego Water District New Production Well



EXHIBIT "A"
CHANGE ORDER FORM

Borrego Water District

*806 Palm Canyon Drive
Borrego Springs, CA 92204*

Contract Change Order #

Project:	Change Order No.:
Contract No.:	Orig. Contract Amt.: \$ _____ Days _____
Contractor:	Prev. Appvd. Changes: \$ _____ Days _____
Owner: Borrego Water District	This Change: \$ _____ Days _____
	Revised Contract Amt.: \$ _____ Days _____

This Change Order covers changes to the subject contract as described herein. The Contractor shall construct, furnish equipment and materials, and perform all work as necessary or required to complete the Change Order items for a lump sum price agreed upon between the Contractor and Borrego Water District, otherwise referred to as Owner.

Item No.	Description of Changes	Increase/ (Decrease) in Contract Amount	Contract Time Extension, Days
1			
2			
Totals		\$	

This Contract Change Order consists of **2 pages** and any exhibits attached to this Contract Change Order shall not be part of the Contract Change Order unless specifically initialed by or on behalf of both the Contractor and the Borrego Water District.

Contract Change Order # _____ Page 1 of 2

The amount of the contract will be increased by the sum of \$_____ and the contract time shall be extended by working days. The undersigned Contractor approves the foregoing Change Order # as to the changes, if any, in the contract price specified for each item including any and all supervision costs and other miscellaneous costs relating to the change in work, and as to the extension of time allowed, if any, for completion of the entire work on account of said Change Order #. The Contractor agrees to furnish all labor and materials and perform all other necessary work, inclusive of the directly or indirectly related to the approved time extension, required to complete the Change order items. This document will become a supplement of the contract and all provisions will apply hereto. It is understood that the Change Order shall be effective when approved by the Owner.

Contractor accepts the terms and conditions stated above as full and final settlement of any and all claims arising out of or related to the subject of this Change Order and acknowledges that the compensation (time and cost) set forth herein comprises the total compensation due for the work or change defined in the Change Order, including all impact on any unchanged work. By signing this Change Order, the Contractor acknowledges and agrees that the stipulated compensation includes payment for all Work contained in the Change Order, plus all payment for any acceleration or interruption of schedules, extended overhead costs, delay, and all impact or cumulative impact on all Work under this Contract. The signing of this Change Order acknowledges full mutual accord and satisfaction for the change and that the stated time and/or cost constitute the total equitable adjustment owed the Contractor as a result of the change. The Contractor hereby releases and agrees to waive all rights, without exception or reservation of any kind whatsoever, to file any further claim or request for equitable adjustment of any type, for any reasonably foreseeable cause that shall arise out of, or as a result of, this Change Order and/or its impact on the remainder of the Work under the Contract.

Accepted:

 (Signature) Contractor's Authorized Representative

 Date

Recommended:

 (Signature) Carlos Beltran, District Engineer

 Date

Approved:

 (Signature) Geoff Poole, Borrego Water District

 Date

Item No.	Justification for Change(s)
1	
2	

This Contract Change Order consists of **2 pages** and any exhibits attached to this Contract Change Order shall not be part of the Contract Change Order unless specifically initialed by or on behalf of both the Contractor and the Borrego Water District.

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING – DECEMBER 11, 2018
AGENDA BILL II.A.2

December 5, 2018

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: FY 2018 Audit Results: Special Meeting Dates and Timing – L Brecht

RECOMMENDED ACTION:

Discuss possible meeting dates in December to review Audit once received

ITEM EXPLANATION:

The annual audit process is underway and a Draft Audit is expected any day. Once the Draft Audit is received and reviewed, Staff is recommending a Special Meeting to discuss this issue. Please bring your calendars to the Meeting to discuss possible meeting dates.

FISCAL IMPACT:

N/A

ATTACHMENTS:

None

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING – DECEMBER 11, 2018
AGENDA BILL II.A.3

December 5, 2018

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: Proposition 218 Rate Study process – L Brecht

RECOMMENDED ACTION:
Receive Report from Director Brecht

ITEM EXPLANATION:

Every 5 years BWD must set its water and sewer rates and charges as part of the State mandated Proposition 218 process **Proposition 218** was adopted in 1996 as a public initiative that amended the California Constitution and local government finance in California. Called the "Right to Vote on Taxes Act," added constitutional voter approval requirements for *all* local government taxes which previously did not exist. This includes numerous additional requirements for special benefit assessments on real property as well as numerous requirements for property-related fees and charges, such as fees imposed by BWD which are no longer allowed to exceed the cost of providing the utility service.

BWD may need to set new rates via the Prop 218 process in one year due to additional costs of SGMA not anticipated in the 2016 Prop 218 process. In preparation for this process, an evaluation of all BWD operations is needed to calculate the rates and charges needed to support the effort for the next 5 years. Director Brecht would like to discuss this endeavor with the full Board at the 12-11 meeting.

FISCAL IMPACT:
N/A

ATTACHMENTS:
Prop 218 Rate Study Preconditions

Prop 218 Rate Study Preconditions - Due before Feb 2019

Each item may likely have significant impacts on the District's revenue sufficiency model required for a comprehensive Prop 218 Rate Study:

CIP

- Any Master Plan costs to integrate disparate sections of old IDs
- Economic value of further solarization
- Solar rebate receipt
- Economics of repair vs replacement of existing WWTP
- CIP grant projects priority if grants do not materialize
- New cost allocations for future sewer rates

GSA-related

- Reimbursement plan for District GSP development expenses
- Reimbursement for Prop 1 grant spending
- JPA governance capital requirement before GSP approval
- Any CEQA legal expenses
- Land purchase transaction legal costs
- Any GSP/CEQA following standards costs for District owned water credits
- Estimated supply augmentation costs

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING – DECEMBER 11, 2018
AGENDA BILL II.A.4

December 5, 2018

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: Dolly Mack Associates Board Strategy Development Proposal & Bio – L Brecht

RECOMMENDED ACTION:

Receive Report from Director Brecht

ITEM EXPLANATION:

During the 2011 – 2018 FYs, the Board’s coherent and mutually agreed strategy focus was to restore the District’s credit to afford proper repair and replacement of the District’s water and sewer infrastructure, this was accomplished recently only by the last two previous boards, involving thousands of hours of work. Today, BWD is facing two difficult organizational transitions: from ad-hoc involvement with the GW Basin to a GSA with management authority and oversight of the GW basin and to a debt-funded CIP water district with bank oversight and new reporting requirements. Thus, the new Board may wish to engage the services of a strategy consultant at this time to assist the new board in agreeing on a team approach to its future work together. Brian Brady, has recommended the services of Dolly Mack to assist us in this endeavor. Director Brecht would like to discuss this opportunity with the Board.

FISCAL IMPACT:

See Attachment

ATTACHMENTS:

Proposal and Biography

**ATTACHMENT: Proposal to Borrego Water District to
Facilitate the Development of a Strategic Vision**

Dolly Mack & Associates, November 25, 2018

Current Situation: The Borrego Water District could benefit from cooperative development of a Strategic Vision by the Board of Directors and General Manager to ensure successful business transitions and execution for future success. In addition, as new Board members are joining the Board, team building among Board members and the General Manager is critical.

Proposed Scope of Work and Approach:

1. Dolly Mack, business consultant and facilitator (background summary attached) will work with a key contact on the Board to finalize the project goals, expectations, scope of work, and schedule.
2. Ms. Mack will interview each Board member and the General Manager by phone with a short set of questions so that all can be prepared for their individual interview.
3. Ms. Mack will summarize the results of the interviews so that information and common themes can be addressed in a workshop.
4. Ms. Mack will develop the detailed approach for an onsite, closed session workshop and facilitate it with all Board of Directors and the General Manager in attendance. The output of this workshop is a consensus Strategic Vision for the BWD while building teamwork among Board members and the General Manager.
5. Ms. Mack will follow up as needed after the workshop.

Anticipated Costs and Timing:

Preparation work, phone interviews, interviews summary, develop detailed workshop agenda and meeting process, and communications—ballpark estimate 15-20 hours. Dolly Mack billing rate is \$300 per hour plus any out of pocket travel expenses. This work is anticipated to be completed during 1Q 2019.



**Dolly Mack & Associates
Business Improvement Consulting**

dollytmack@gmail.com

phone: 775-747-6143

Business Assessment, Strategic Planning, Balanced Scorecard, Project Management, Process Improvement, Leadership Development, Performance Management, Meeting Facilitation

BACKGROUND and EXPERIENCE

Dolly Mack's work experience includes 17 years at Chevron in various engineering and management assignments, most notably as the President's Advisor on Business Improvement in Chevron Chemical, and engineering work experience at Ford Motor Company.

Ms. Mack was appointed by the U.S. Dept of Commerce to serve as a Malcolm Baldrige National Quality Award Examiner for 3 years, and was appointed to serve as a Judge for 3 years for the State of California Governor's Quality Awards Program.

Ms. Mack has a B.S. Engineering degree from the University of Michigan, an M.S. Engineering degree from Oregon State University, and business credentials from University of California Berkeley.

SAMPLING OF CLIENTS

Imperial Irrigation District, Morrison Foerster, City of Orange, University of Washington, Orinda Union School District, Kaiser Permanente, Blue Cross of CA, Chevron, BP/Amoco, Rancho CA Water District, Irvine Ranch Water District, University of California, Berkeley, Novartis/Chiron, Lawrence Hall of Science and several other non-profits, Airtouch/Vodafone, Digital Domain

"Dolly Mack knows how organizations work, and what keeps them from working. She has the background and experience to help organizations get the most out of their strategic planning process. I would not hesitate to recommend her services to any organization that wants to stay ahead of the innovation curve." - Dr. Brian Brady, former Water District General Manager

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING – DECEMBER 11, 2018
AGENDA BILL II.A.5

December 5, 2018

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: Resolutions of Appreciation for Directors Hart and Tatusko – G Poole

RECOMMENDED ACTION:
Review Draft Resolutions and Approve

ITEM EXPLANATION:

The attached Resolutions were drafted to recognize the contribution of Beth Hart and Joe Tatusko. A small lunch event is planned for after the Board Meeting on 12-11 at the BWD Offices where the Resolutions will be presented.

FISCAL IMPACT:
N/A

ATTACHMENTS:
Resolutions of Appreciation

**RESOLUTION No. 2018-12-01 OF THE
BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT COMMENDING
BETH HART FOR EIGHT YEARS OF OUTSTANDING SERVICE**

BE IT RESOLVED by the Board of Directors of the Borrego Water District (BWD) that Beth Hart Is hereby commended for her eight years of outstanding service to the Borrego Water District and community of Borrego Springs.

* Beth's dedicated service to BWD as a member of the Board of Directors, President of the Board and member of several committees has been an important factor in the achievements of the BWD and Board during her tenure.

* Beth has exhibited leadership and high standards of integrity and fairness that have resulted in many successful programs and projects.

* Beth has assisted the BWD in working through many challenging issues and resulted in improving the operations, administration and financial stability of the BWD.

* Beth's participation in developing the Groundwater Sustainability Plan, Groundwater Sustainability Agency and Memorandum of Understanding with the County of San Diego have been sincerely appreciated.

PASSED AND ADOPTED at a Special Meeting of the Board of Directors of the Borrego Water District held December 11, 2018.

By: _____
Lyle Brecht, Acting President, BWD

ATTEST:

Geoff Poole, General Manager, BWD

**RESOLUTION No. 2018-12-02 OF THE
BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT COMMENDING
JOSEPH TATUSKO FOR FOUR YEARS OF OUTSTANDING SERVICE**

BE IT RESOLVED by the Board of Directors of the Borrego Water District (BWD) that Joseph (Joe) Tatusko is hereby commended for his four years of outstanding service to the Borrego Water District and community of Borrego Springs.

* Joe's dedicated service to BWD as a member of the Board of Directors, Treasurer of the Board and member of several committees has been an important factor in the achievements of the BWD and Board during his tenure.

* Joe has exhibited high standards of integrity, fairness and suggestions that have resulted in many successful programs and projects.

* Joe has assisted the BWD as Treasurer in working through many challenging issues and resulted in improving the operations, administration and financial stability of the BWD.

* Joe's participation in developing procedures as part of the Operations and Infrastructure Committee and assistance in procuring grant funding for projects has been sincerely appreciated.

PASSED AND ADOPTED at a Special Meeting of the Board of Directors of the Borrego Water District held December 11, 2018.

By: _____
Lyle Brecht, Acting President, BWD

ATTEST:

Geoff Poole, General Manager, BWD

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING – DECEMBER 11, 2018
AGENDA BILL III.A.1

December 5, 2018

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: Rick Alexander Supplemental Proposal for Evaluation of Additional Grant Opportunities
– Brecht

RECOMMENDED ACTION:

Review Proposed Amendment and Approve

ITEM EXPLANATION:

Rick Alexander has been working with BWD during 2017 to assist with the completion of two Proposition One Grant Applications. One grant application is for approximately \$468,000 for repairs to the existing wastewater treatment plant and the other is for \$2.1 million in reservoir replacement and one motor change out at the Wilcox Well.

As a follow up to the last Board Meeting, Rick Alexander was requested to provide an amended Scope of Work to continue to evaluate and recommend additional available grant and low interest loan opportunities for GSP implementation and other BWD related projects, which is attached.

FISCAL IMPACT:

N/A

ATTACHMENTS:

1. TRAC Proposed Amendment

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING – DECEMBER 11, 2018
AGENDA BILL III.A.2

December 5, 2018

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: Local Government Commission Proposal to work with TRAC on this proposal - Brecht

RECOMMENDED ACTION:

Review Proposed Amendment and Direct Staff as Deemed Appropriate

ITEM EXPLANATION:

Attached is a proposal to initiate the process

FISCAL IMPACT:

N/A

ATTACHMENTS:

1. LGC Proposal

Technical Assistance from **Local Government Commission** for Integrated Planning Proposal Development

The Groundwater Sustainability Plan (GSP), responding to the California Department of Water Resources (DWR) regulations for GSP development focuses primarily on identifying the basin's sustainable yield and managing supplies according to minimum thresholds. DWR regulations for an acceptable GSP do not address demand-side management issues, primarily associated with land-use and economic development

The proactive approach to Sustainable Groundwater Management Act (SGMA) by the Borrego Water District (BWD), the initial work of the Borrego Water Coalition to bring pumpers to the table, coupled with the collaborative Geotourism work of the Borrego Valley Stewardship Council to bring stakeholders together over the last four years, sets the stage for BWD to facilitate positioning Borrego Springs as a valued regional economic asset as a world-class nature resort destination. BWD may choose to continue this proactive leadership to bridge the gap between the regulatory requirements of SGMA and an integrated management plan the community likely requires to ensure its economically sustainable future.

There is significant risk that the cost of implementing the GSP may drive future water rates above the affordability for some of the District's customers on fixed incomes. BWD may need to support efforts to more effectively manage land use decisions by the County of San Diego, and assist planning for economic development necessary to foster a sustainable unincorporated Borrego community.

There is also a growing awareness at DWR that the inequities associated with overdrafting are particularly impactful in Severely Disadvantaged Communities (SDACs). Investigating and addressing the vulnerabilities to these SDAC communities is very likely essential to the success of SGMA in these communities. From BWD's perspective it will require GSP impact mitigation efforts to maintain customers, expand its customer base to spread rising costs, and importantly, to manage the financial risk to BWD from the changes to its business model from the GSP. Actively addressing SDAC customers as part of GSP implementation will also enable BWD to be first in line for State Proposition 1 SDAC grants.

LGC proposes to work with Rick Alexander for the benefit of the Borrego Water District to develop a comprehensive proposal and funding options for GSP implementation and integration with other community master land use planning and economic development initiatives that protect the economic viability of the community and financial viability of the BWD.

LGC will work directly with Rick Alexander to Review prop 68 and other potential funding sources, and conduct appropriate agency inquiries, to determine other funding options for an integrated plan.

Deliverable: Memorandum summarizing potential funding options and scope of work for an integrated watershed management plan that incorporates GSP alignment with other community priorities and economic development needs.

Cost: hourly rate = maximum 33 hours at \$120/hr + incidental expenses: not to exceed \$4,000

LGC Qualifications

The Local Government Commission works to build livable communities and local leadership by connecting leaders via innovative programs and network opportunities, advancing policies through participation at the local and state level, and implementing solutions as a technical assistance provider and advisor to local jurisdictions.

With roots in California and a national reputation, LGC offers inspiration, information, and partnership for local and regional champions dedicated to building thriving communities that integrate civic engagement with environmental, social and economic priorities. For over 35 years LGC has connected cutting-edge leaders from across the nation. Together we are advancing transformative policies and implementing innovative solutions for sustainable communities. We operate within the following five integrated program areas:

Healthy Community Design

A healthy community provides opportunities for people of all ages and abilities to engage in routine daily physical activity in a safe environment, be it walking to a transit stop or school, commuting by bicycle to work, or playing in a neighborhood park. Healthy communities are also supported by food environments that ensure access to healthy foods, and make healthy eating the more accessible and more appealing option.

Climate Change

Climate change is the single largest threat facing humanity, but it also provides an unprecedented opportunity for collaboration and innovation. Industrialization, mass deforestation, and pollution have increased atmospheric concentrations of greenhouse gases (GHGs) and increased the temperature of Earth's surface, a phenomenon known as global warming. While these threats seem insurmountable, climate change presents an opportunity for communities to reimagine existing systems to create more resilient and livable communities – one that not only mitigates and adapts to climate change, but also addresses entrenched social and economic issues.

Energy

The utility industry, both public and private, has grown to satisfy this energy need. Sustainable communities that use energy efficiently benefit financially while conserving natural resources and environmental quality.

Water

Water is one of California's most coveted commodities, and the focus of intense competition between stakeholders such as industry, agriculture, residents, and environmental interests. Maintaining adequate water supplies and water quality, and protecting the beneficial uses of water depends largely on land use decisions made by local government. How we plan and develop our communities has an enormous impact on the quality and quantity of California's water.

Danielle Dolan Qualifications

Danielle V. Dolan has been working in environmental education, engagement, and advocacy for the last 14 years, with the latter half in California water issues. Ms. Dolan was hired by the Local Government Commission in 2014 to lead LGC's water programs — engaging on statewide policy initiatives and implementing projects at the local level.

LGC's water work emphasizes the connection between land use planning and sustainable water management, and includes cross-jurisdictional efforts to addressing watershed health and water security across the state. Ms. Dolan's recent projects include: leading a Water Strong Communities job-training program, assisting with code update assistance on both stormwater and water/energy efficiency; facilitating community engagement associated with legacy mining contamination in waterways; a \$2.5 million water efficient landscaping program providing turf replacement incentives, landscaper job training, and community outreach in the San Joaquin Valley; engaging severely disadvantaged communities in the Solano Subbasin GSP development process, and LGC's Governor's Initiative AmeriCorps program, CivicSpark Water, to build local capacity for meeting critical water needs while also addressing statewide priorities.

Ms. Dolan is a 2015 Water Leader, a member of the California Roundtable on Water and Food Supply, and serves on the California Water Policy Conference Planning Committee. Prior to joining the LGC team, Ms. Dolan served as a workshop coordinator for the Sacramento River Watershed Program, and a project coordinator for the UC Davis Center for Watershed Sciences. In her early career, Ms. Dolan was a certified school teacher, environmental education expert, and water conservation advocate in Florida. She holds a B.A. in Environmental Studies from Hawai'i Pacific University and a M.S. in Community Development from UC Davis.

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING – DECEMBER 11, 2018
AGENDA BILL III

December 5, 2018

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: Informational Items – G Poole

RECOMMENDED ACTION:

Receive Report from Director Brecht

A. Borrego Water District

1. Rick Alexander Monthly Grant Update – TRAC

B. Borrego Sub Basin GSA

1. BWD Big Picture Analysis PPT – Brecht
2. SGMA GSP development issues PPT – Brecht
3. ENSI Takeaways PPT – Brecht
4. ENSI, Methodology to Examine Future Groundwater Overdraft In Terms Of The Overall Hydrologic Water Balance Considering Recharge Variability And Parameter Uncertainty (September 12, 2018)

ATTACHMENTS:

1. One for each item

TRAC Project Update – November 2017:

By Rick Alexander

At the October 16 Board of Directors meeting, staff reported on the status of the California Water Board's funding for the Wastewater Treatment Plant Upgrade (Project 34661) and the Water Distribution System Project (Project 34239).

Please recall that the next step in that process was to conduct Archaeological and Biological surveys of the project sites as a requirement for federal funding participation.

- Contracts for both recently approved Consultants (Bio and Archeo) needed for Prop One Grant Application were drafted.
- Spindrift Archaeology; Principal Scientist Trisha Brennan toured the sites with BWD staff and conducted protocol field surveys on Number 12 and 13. They will finish a draft report for staff review within a month. They are both on time, and slightly under budget.
- Rocks Biology: Following resolution of contract questions, an agreement with Rocks was finalized on November 30. We are now scheduling a field/site tour and briefing for their Principal Biologist in the next ten days. Staff has furnished complete project documentation to them.
- Response from Water Boards staff:

On November 21, in response to our inquiry, Project Manager Joseph Quilatan reported that they had undertaken review of our application for the Water Supply Project, and that it should be completed in the "first week of December".

We have recent experience with developing responses since the Wastewater Treatment Plant application response was very similar. We were able to complete that response in less than ten days.

- Identifying funding sources for BWD Priorities:

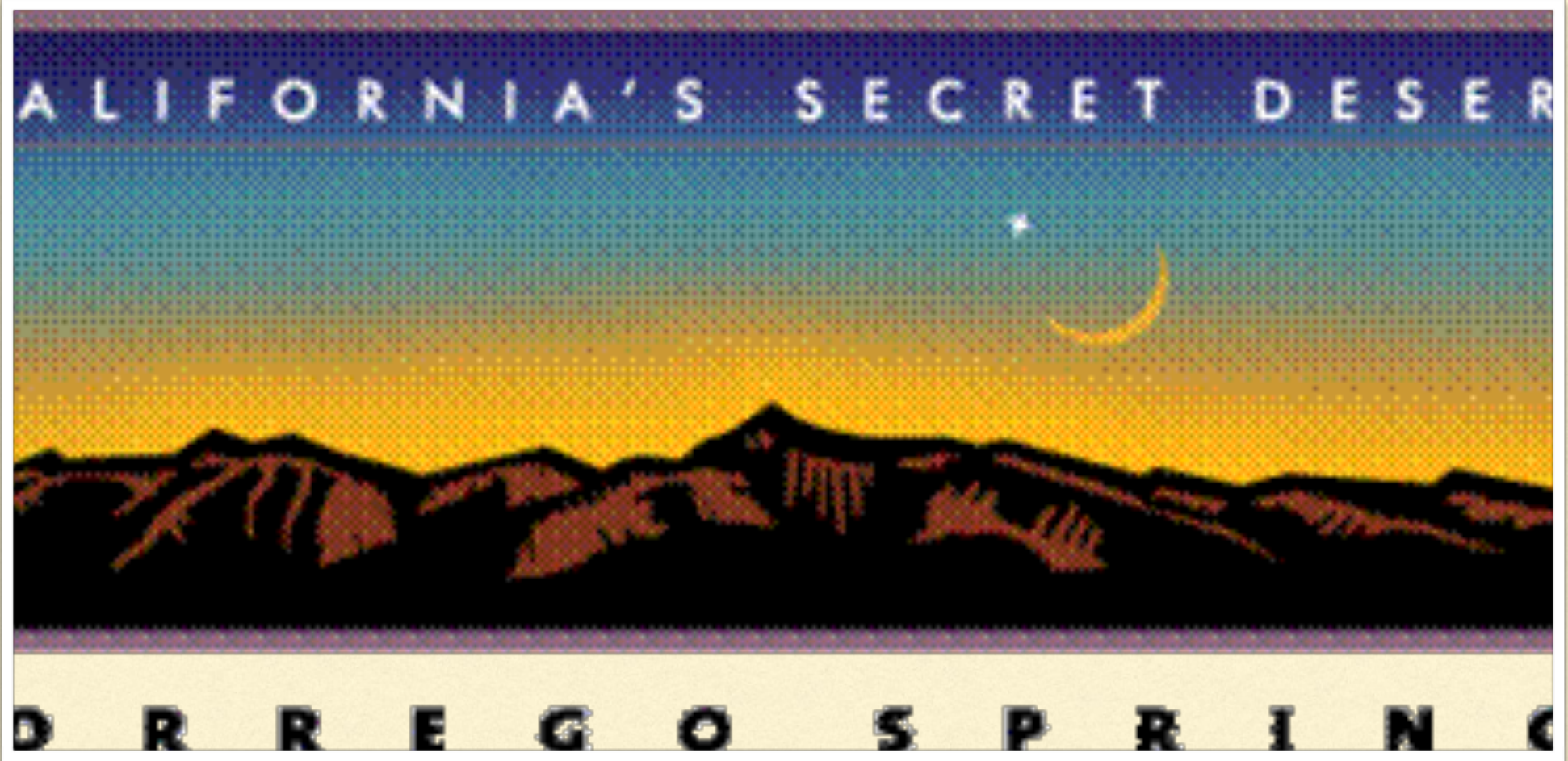
Staff has identified agricultural land following (water quantity), assuring water quality and wastewater collection and treatment as the priority areas to seek funding (grant and low interest loan) opportunities. The various opportunities will be evaluated to determine the applicability of each funding source to the project needs of BWD.

- TRAC and BWD Staff are discussing taking a trip to Sacramento in the next few weeks to:

Workshop with ACWA staff on recommended sources of funding in these areas.

Meet with staff of State Senator Brian Jones (CA38), and Assembly member Randy Voepel (CA71), to assure that they have a clear understanding of the water issues and planning efforts in the Borrego Valley. We will also solicit their support for current and future applications for funding.

Meet with staff of California Senate President Pro Tempore Toni Atkins (CA39) with the same goal of providing clear information, and discussing future assistance at all levels.



FY 2019 BOARD BIG PICTURE

Risk Management View [Risk = probability of an event occurring x cost if that event occurs]

SOME HISTORY - IN FY 2011

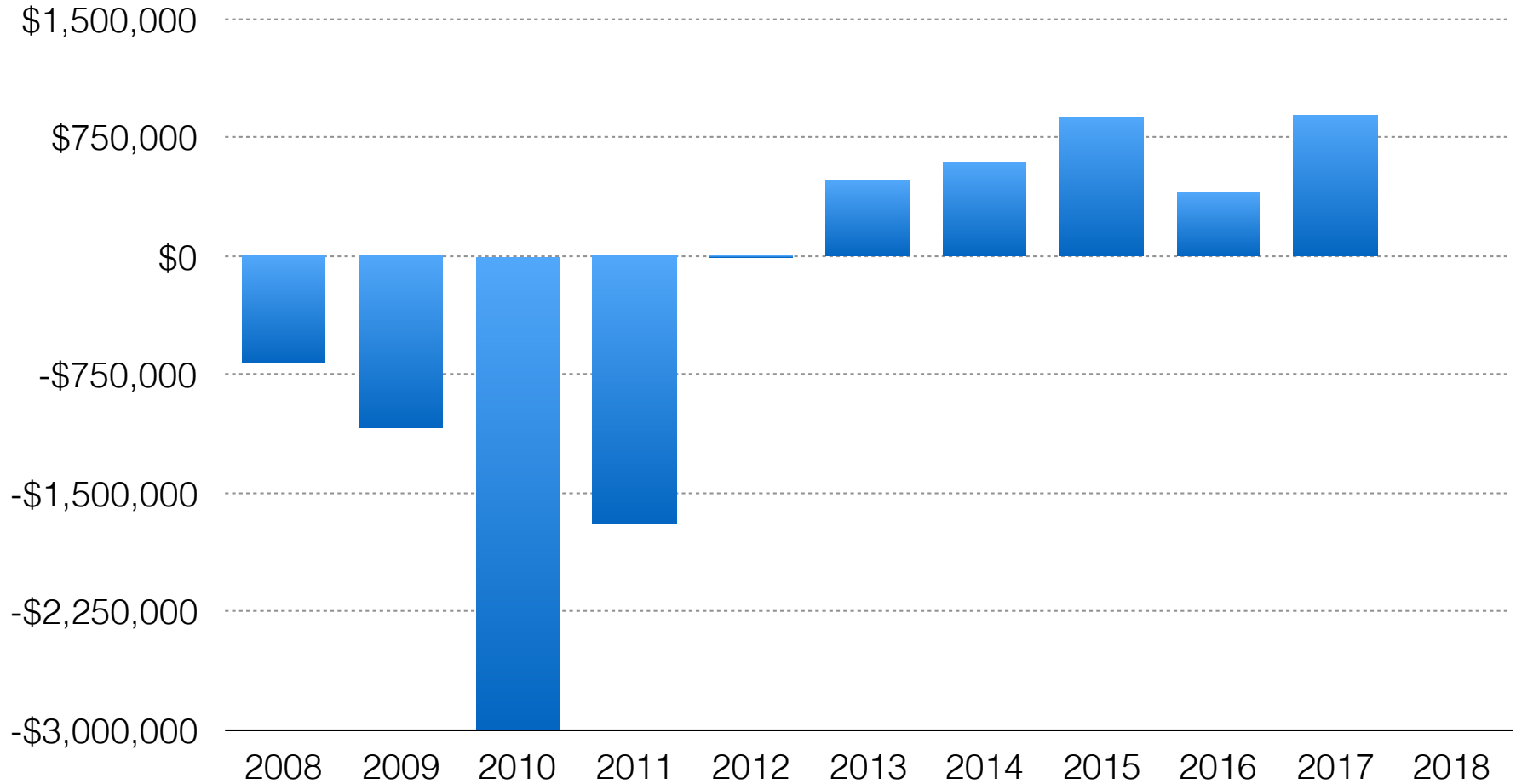
- \$200,000 of ~\$6.2 million in reserves left; remainder allocated
- ~\$1.2 million annual operating deficit
- ~\$7.0 million in potential new debt from pre-2011 business deals with no means to pay P&I
- 6 disputes and threats of litigation (est. cost >\$1 million)
- no ability to borrow, even short-term (lost all credit)
- no longer-term CIP plan; no cash flow management reporting

BOARD STRATEGIC FOCUS OVER 8-YEARS: TO REGAIN CREDIT

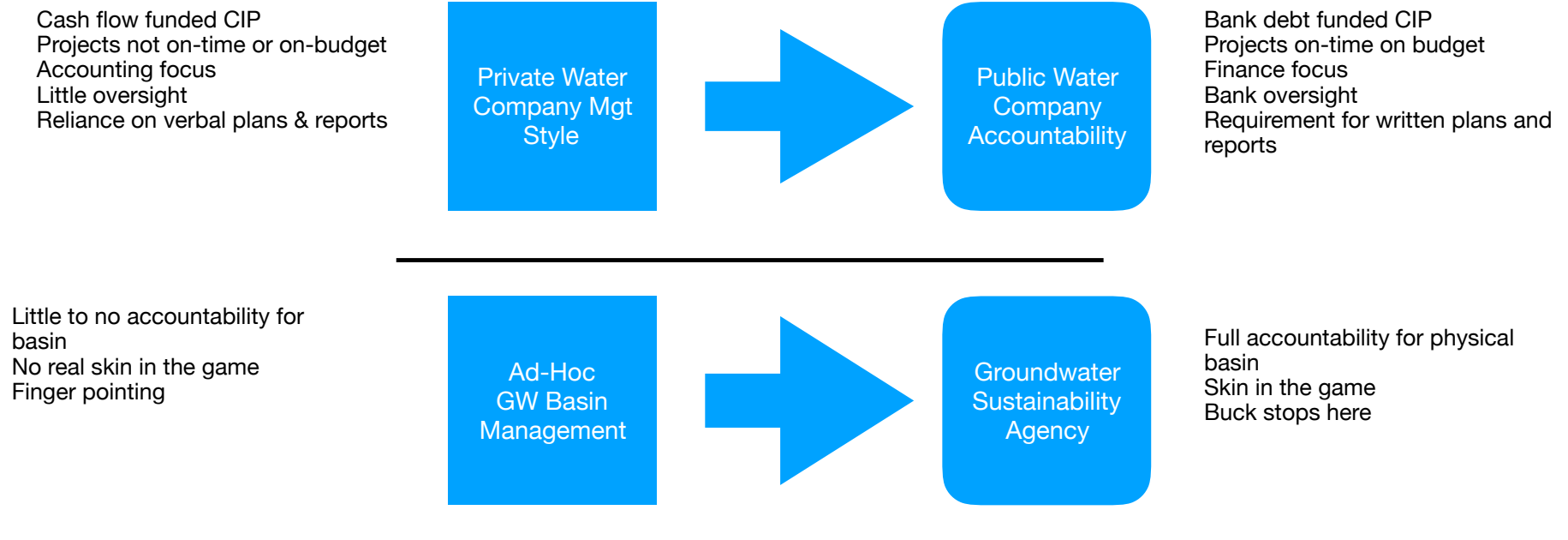
- eliminated \$5.5 million of \$7.0 million in future debt obligations
- refinanced \$1.5 million Viking loan saving \$1 million in financing costs
- cut \$1.2 million in annual operating expenses
- replaced virtually all advisors & consultants to previous 2007-2010 Board
- negotiated resolutions with all disputants saving ~\$900,000
- conducted 2 Proposition 218s that raised rates 200% between FY 2012-2021
- wrote off ~\$1.4 million in previously capitalized expenses to clean up Balance Sheet
- developed rolling 10-year CIP; monthly detailed cash flow report; consolidated FY budget
- deferred ~\$11.0 million in CIP expenses until credit was restored

Financial Health of the District

■ Net Increase (Decrease) In Cash & Cash Equivalents



MANAGEMENT & WORKFLOW TRANSITIONS



Transitions, to be timely and successful require somewhat different and levels of skills than previous on part of Board, GM, staff, and management of advisors and consultants

Essentially, moving from a primarily cash flow and credit-building focus to a primarily risk management focus for District and ratepayers

Q: how to develop strategic approach as opposed to just concentrating on tactics while avoiding siloing due to Brown Act requirements

PRIVATE CO MGT STYLE TO PUBLIC WATER DISTRICT ACCOUNTABILITY

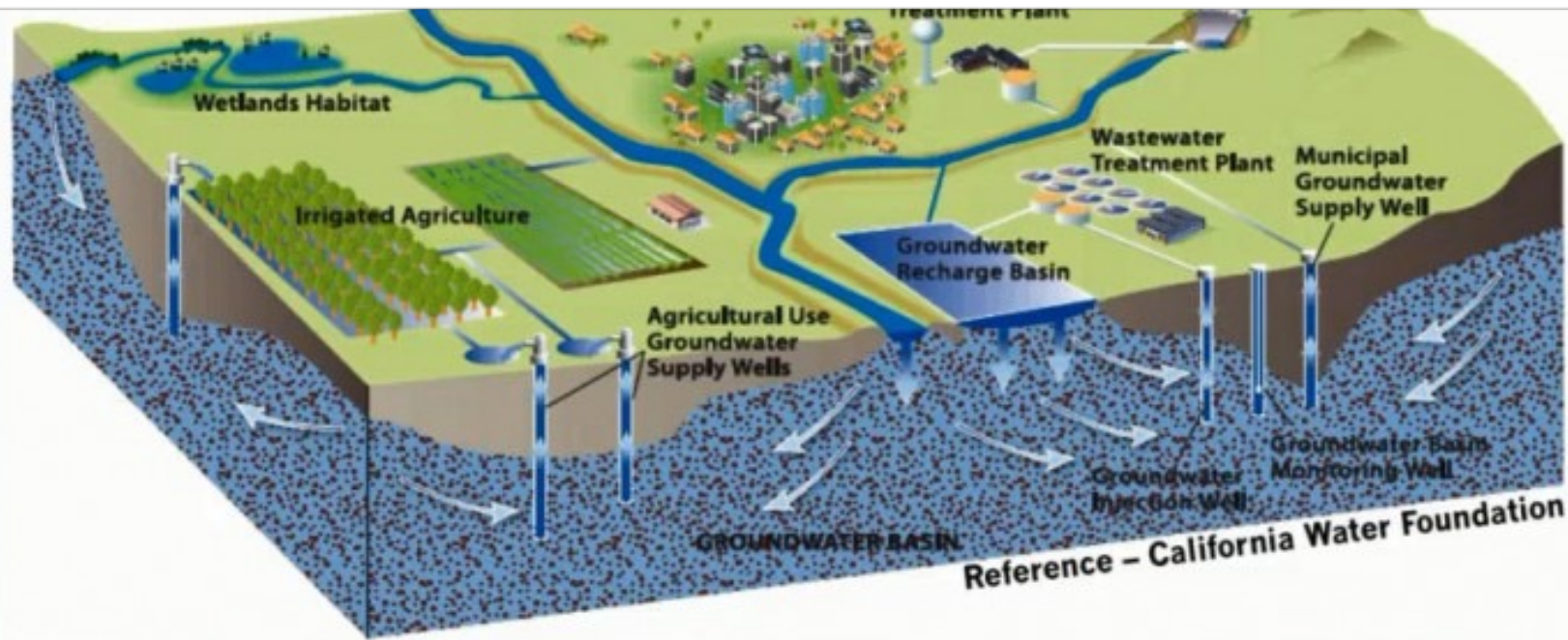


- positive cash flow & reserves are critical to maintaining credit
- repair & replace infrastructure based on multiyear CIP based on least-cost economics
- CIP projects need to be completed on time, on budget
- \$5.5 million new CIP debt-funded projects must be completed by FY 2021 to be eligible for +\$5.6 million offering scheduled for FY 2022
- banks are overseers requiring written plans and status reports to Board

AD-HOC BASIN MGT TO GSA

- the District and County as GSA for the Basin are governed by an MOU
- the MOU covers the development of the GSP, not implementation
- the District has different skin in the game than the County
- uncertainties in the GSP are likely to have economic impacts on the community and financial impacts on the District
- e.g. water rates resulting from the GSP could negatively impact property values; future economic development, or not





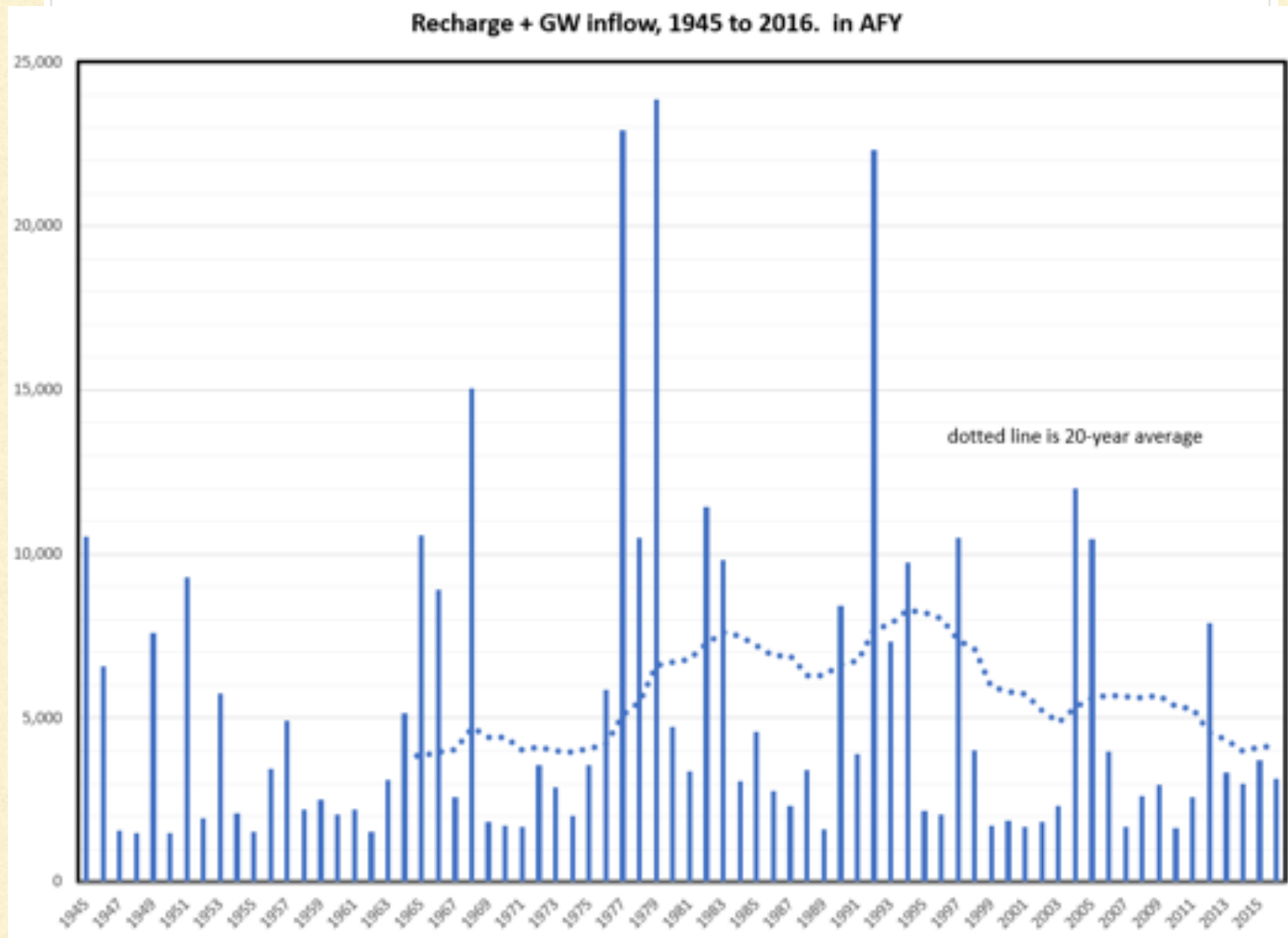
The Sustainable Groundwater Management Act

GSP DISCUSSION

Risk Management View

BRECHT - DRAFT 1.4

PHYSICAL GW SYSTEM



WATER BUDGET FROM MODEL

		<u>Current</u>		<u>Target</u>	
		Inflows	Outflows	Inflows	Outflows
Groundwater		1400	525	1400	525
Natural Recharge		4300		4300	
GW-Dependent ET			400		400
Irrigation Return Flow (10%)		2204		570	
	Pumping		22,044		5,700
totals		<u>7904</u>	<u>22969</u>	<u>6270</u>	<u>6625</u>
net			-15065		-355

GSP BASICS

- setting a cap on basin-wide pumping (BPAs)
- measuring individual pumpers' annual pumping
- agreeing on a basin-wide pumping target to be reached by January 2040
- setting a reduction period & velocity of reductions
- agreeing on data collection triggers to alter Plan if meeting 5-year targets are at risk
- recommending changes to the County's Master Plan for Borrego
- agreeing on fees to pay for Plan and penalties for not meeting individual annual pumping allocations

COST OF GSP TO DATE

Nov
29,
2018

Item	Cost
Basin Studies - paid for by grants to District between 1/1/2010 - 1/1/2015	\$2,000,000
Basin Studies - paid for by District ratepayers between 1/1/2010 - 1/1/2015	\$1,000,000
DWR Grants for Borrego Water Coalition work between 1/1/2013 - 1/1/2015	\$150,000
District costs for Borrego Water Coalition work 1/1/2013 - 1/1/2015	\$80,000
Borrego Water Coalition Pumper's contributions 1/1/2013 - 1/1/2015	\$50,000
DWR Grants to District for CCP GSP AC facilitation through 6/30/2018	\$120,000
DWR 2017 Grant to County for Borrego Basin GSA formation	\$60,000
DWR 2018 Prop 1 Grant to County for GSP CEQA work	\$500,000
DWR 2018 Prop 1 Grant to District for GSP SDAC work	\$500,000
GSP development costs 1/1/2015 - 6/30/2018 fronted by District	\$500,000
County estimated GSP development cost contribution beginning 4/4/2017	\$1,200,000
GSP Program & Management Actions estimated development costs	<i>unknown</i>
Estimated District fronted GSP development costs post 6/30/2018	<i>unknown</i>
TOTAL Actual and Estimated GSP-Related Development Costs	\$6,160,000

SGMA & LAND USE

- SGMA specifically exempts County land use decisions & authorities from mandates
- but SGMA also implies County land use decisions may not impede GSP objectives
- DWR's GSP regs are primarily hydrology based planning criteria
- CEQA is an environmental analysis of the GSP discretionary programs
- nowhere in GSP or CEQA law is there a requirement for integrated planning or risk management of potential economic impacts

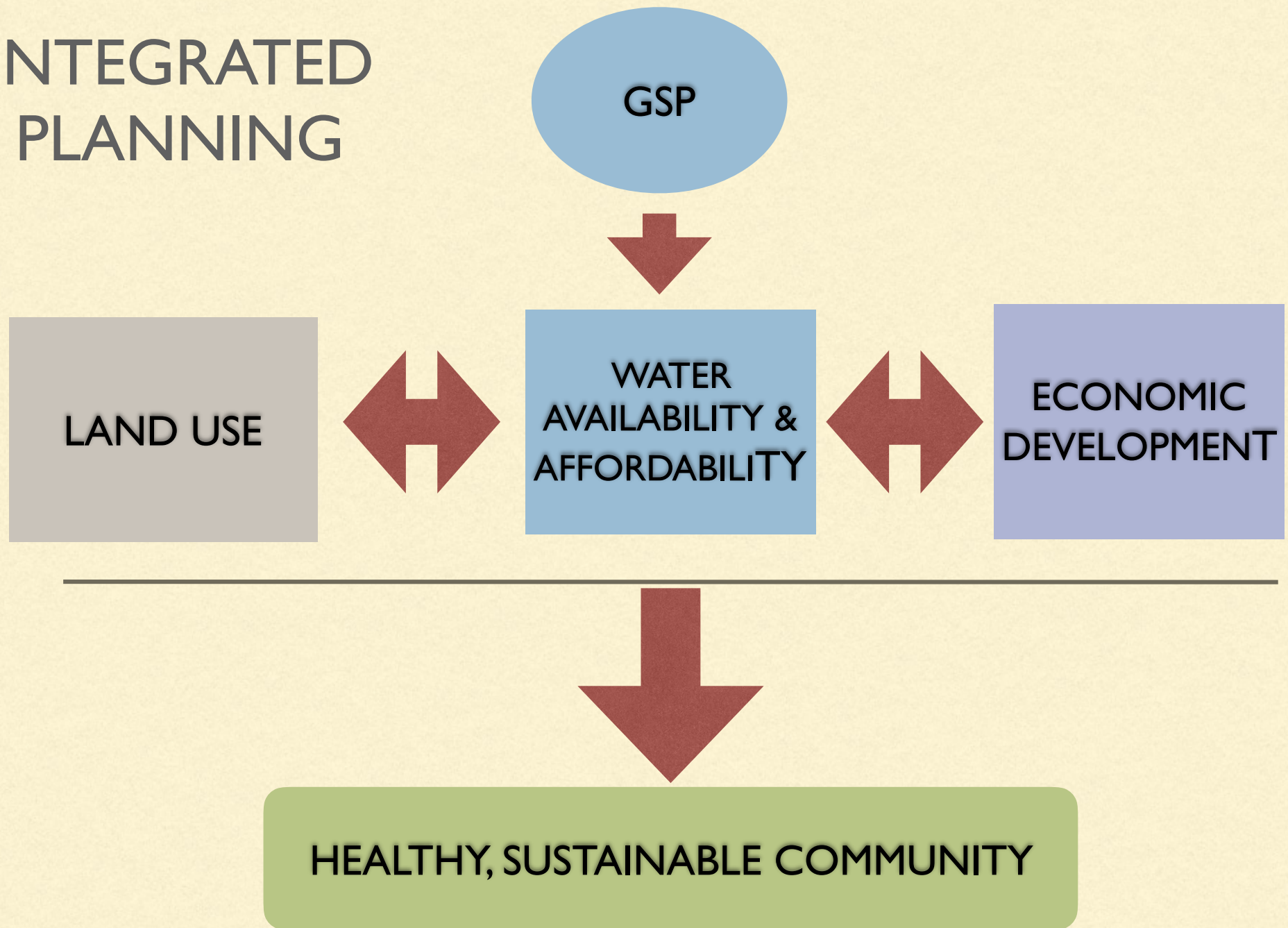


GSA BASIN MGT SHORTFALL

- cost of implementing the GSP, absent Prop 3, adds financial risk for District
- District will most likely need more customers to support increased costs and risks of SGMA
- District will need to think about land use decisions and economic development in order to meet SGMA mandates for sustainable water use of the Basin



INTEGRATED PLANNING



September 12, 2018

Mr. Geoff Poole
General Manager, Borrego Water District
806 Palm Canyon Drive,
Borrego Springs, CA 92004

RE: Methodology To Examine Future Groundwater Overdraft In Terms Of The Overall Hydrologic Water Balance Considering Recharge Variability And Parameter Uncertainty

Dear Geoff,

The following draft Report was produced under our existing contract to provide technical support to BWD for to the Borrego Valley Groundwater Basin Groundwater Sustainability Plan Proposition 1 Grant Project. It addresses portions of Tasks 2.1, 2.2, and 3.1 specific to water supply uncertainties related to the assessment of groundwater overdraft.

Subsequent analyses are in process that will build from this Report to examine the effect of overdraft on BWD supply well production rates and water quality.

Thank you for your time and attention.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay W. Jones", with a long horizontal flourish extending to the right.

Jay W. Jones
CA PG#4106
Environmental Navigation Services Inc.

METHODOLOGY TO EXAMINE FUTURE GROUNDWATER OVERDRAFT IN TERMS OF THE OVERALL HYDROLOGIC WATER BALANCE CONSIDERING RECHARGE VARIABILITY AND PARAMETER UNCERTAINTY

OVERVIEW

The Borrego Springs Subbasin (Borrego Basin) of the Borrego Valley Groundwater Basin is currently in a state of critical overdraft. Groundwater pumping reductions will be necessary under the Sustainable Groundwater Management Act (SGMA) to achieve long-term sustainability of the water supply for the Borrego Springs community. A target pumping rate of 5700 AFY has been proposed where Borrego Basin groundwater use is balanced by the long-term average groundwater recharge inflow rate.

The purpose of this Draft Report is to present a methodology to examine the proposed target pumping rate in terms of the overall hydrologic water balance and future overdraft that will occur as groundwater production rates decrease. The analysis is based on the maximum 20-year reduction period allowable under SGMA. The 5700 AFY target is based on the average groundwater recharge rate as determined by the US Geological Survey ([USGS Report, 2015] Faunt, C.C., Stamos, C.L., Flint, L.E., Wright, M.T., Burgess, M.K., Sneed, Michelle, Brandt, Justin, Martin, Peter, and Coes, A.L., 2015, Hydrogeology, hydrologic effects of development, and simulation of groundwater flow in the Borrego Valley, San Diego County, California: U.S. Geological Survey Scientific Investigations Report 2015–5150, 135 p., <http://dx.doi.org/10.3133/sir20155150>).

The 5700 AFY target pumping rate is examined here in terms of the potential variability of recharge and its effects on the degree of groundwater overdraft that will occur over time. The Borrego Water District (BWD) serves a California Department of Water Resources (DWR) designated severely disadvantaged community (SDAC). Of concern are the potential impacts on the Borrego Water District's (BWD) ability to produce drinking water and related increase in water production costs should the target pumping rate fail to achieve the SGMA-mandated sustainability goals as described in the Groundwater Sustainability Plan (GSP, in process. Public Review Draft expected to be released December 2018).

This Draft Report includes the following:

- A review of the overall water balance that includes groundwater recharge, groundwater discharge, pumping, irrigation return flows, and evapotranspiration-related water demand from native phreatophytes (groundwater dependent ecosystems).
- An assessment of how the recharge rates and water balance components may vary over time during a 20-year Groundwater Sustainability Plan (GSP) as based on the results of the USGS Groundwater model for the model period of 1945 to 2016. This assessment supports consideration of the uncertainty and potential basin management risks associated with the water balance calculations.
- Comparison of the degree of overdraft to the USGS model predictions for water level decline (USGS Report Scenario 6).

- Statistically-based ‘what if’ simulations that use the model’s time-varying recharge rates to look at what may be observed after 5 years of pumping reductions following ‘wet’ or ‘dry’ periods. The GSP includes a 5-year review cycle and an adaptive management strategy is planned to be used that may include revisions to the target pumping rate at 5-year intervals.
- Summary and Considerations

Chronic lowering of groundwater levels and reduction of groundwater storage are two of six Sustainability Indicators, if found to be significant and unreasonable, describe the undesirable results of critical overdraft to be addressed in the GSP (DWR, 2017. CA Department of Water Resources Sustainable Management Criteria Best Management Practice Guidance, November 2017). The GSP will include metrics to establish thresholds for all of the sustainability indicators.

DWR has established a maximum period of 20 years for the Borrego Basin to achieve sustainability where “the sustainable yield of a basin is the amount of groundwater that can be withdrawn annually without causing undesirable results. Sustainable yield is referenced in SGMA as part of the estimated basinwide water budget and as the outcome of avoiding undesirable results...for the six sustainability indicators” (DWR, 2017. p.32). This Report focuses on the basinwide water budget, termed here as the water balance. Potential changes in BWD supply well water quality and production rates associated with ongoing overdraft are also of concern but not directly addressed in this Draft Report.

1.0 Water Balance Components

The 5700 AFY target pumping rate is based on an analysis of the hydrologic water balance (water budget) conducted by the USGS and is a water extraction rate equal to the amount of water that replenishes the Borrego Basin as groundwater recharge. The model can be viewed as a large box that is discretized into smaller rectangular boxes to track the flow of water over time into and within the alluvial basin. The target pumping rate was set equal to the average annual groundwater recharge inflow rate and is based on a combination of groundwater inflow (into the sides of the large box) and water that enters into the basin from adjacent watersheds and flows into the aquifer system as recharge (see **Figure 1**).

As stated in the USGS Report (Summary and Conclusions, p. 128): *“The main source of recharge to the system is underflow from the upstream portions of the watershed and runoff from creeks and streams draining the upstream portions of the watershed that, with the exception of runoff generated in response to exceptionally large and infrequent storms, quickly seeps into the permeable streambeds and infiltrates through the unsaturated zone. Over the 66-year study period [ed: 1945 to 2010], on average, the natural recharge that reaches to the saturated groundwater system is approximately 5,700 acre-ft/yr, but natural recharge fluctuates in the arid climate from less than 1,000 to more than 25,000 acre-ft/yr.”*

The groundwater recharge rate, as noted above, varies widely over time in contrast to the stated average. This variability is examined here by examining the amount of overdraft that will occur over a 20 year period to evaluate how effective the target pumping rate of 5700 AFY will be towards meeting the SGMA goals. To date the overall aquifer water balance has been negative in that outflows have exceeded inflows, leading to an estimated cumulative depletion (or overdraft) of 440,000 acre-feet (AF) as of 2010 with associated water declines of over 150 ft (USGS, 2015. p.129). The overdraft was calculated to be 520,000 AF as of 2016 as described in the Groundwater Sustainability Plan (GSP, currently in process by others).

The Borrego Basin water balance calculations provide a direct measure of the effect of pumping rate reductions on a basin-wide scale by tracking how much more water will be derived from storage. The Borrego Basin aquifer water balance consists of six flow components.

- Inflows occur via groundwater flow, surface (natural) recharge, and irrigation return flows.
- Outflows occur via groundwater flow, deep-rooted groundwater dependent plant use (termed evapotranspiration), and groundwater pumping.

These six values are calculated in the USGS model and the annual values for the model analyzed in this report were obtained from Dudek’s update of the USGS model update (as presented on).

1.1 INFLOWS

Groundwater.

The USGS groundwater model allows for time-varying groundwater inflow rates but in this case the inflow rate was relatively constant over the model duration, approximately 1400 AFY as stated in the USGS Report. Most of this inflow occurs along the northwestern and western edges of the valley. Please refer to the GSP for additional details.

There is no groundwater flow in or out of the northeastern side model domain where the NW-SE trending Coyote Creek Fault occurs because it is assumed to be a no-flow boundary condition. The potential impact of this assumption has not been assessed in this report.

Natural Recharge.

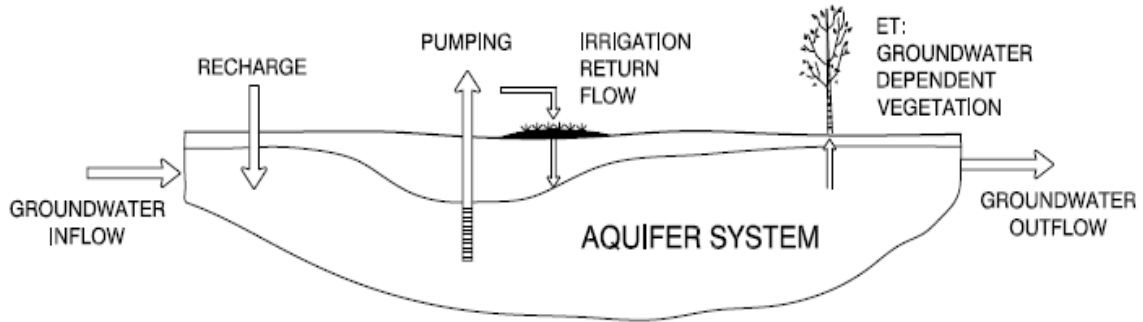
The primary source of water to the Borrego Basin is surface water (stormwater and ephemeral stream flow) that flows into the valley from adjacent mountain watersheds and then infiltrates. Direct recharge by rainfall within the valley is very low compared to surface water inflows as the annual rainfall averages 5.8 in/yr. [USGS Report, page 43].

The contributory watersheds are approximately 400 mi² and much larger in area than the approximately 110 mi² Borrego Valley (USGS Model Report). Further, because the adjacent watersheds are higher in elevation and have higher precipitation rates they provide the bulk of the water that enters the Borrego Basin. Inflows from the adjacent watersheds were not directly calculated by the USGS groundwater model, instead these were determined using the USGS' regional scale Basin Characterization Model (BCM) for the watersheds located west and north of the Borrego Basin. Per the USGS Report (p. 48) *"The BCM calculates potential in-place recharge and potential runoff and generates distributions of both components. In this study, the BCM provided estimates of the underflow from the adjacent mountains and basins and potential runoff in stream channels into the basin. Moreover, the BCM can be used to compare the potential for recharge under the current climate (2010) and that for past wetter and drier climates (Flint and Flint, 2007a). The BCM model domain includes the watersheds that surround and drain into the Borrego Valley (fig. 16)."*

The BCM calculations rely on multiple types of hydrologic data and require streamflow measurements to support model calibration. Per the report *"[h]istorical discharge data are available for 1950–83 for Coyote Creek, 1950–2004 for Borrego Palm Creek, and 1958–83 for San Felipe Creek"*. The BCM is a highly complex hydrologic model that incorporates parameters such as precipitation data, runoff coefficients, multiple soils data and estimated parameters, in-channel groundwater flow rates, and soil and plant evapotranspiration estimates. As noted (USGS Report p.48) it calculates both surface water and groundwater flows wherein *"the BCM provided estimates of the underflow from the adjacent mountains and basins and potential runoff in stream channels into the basin"*. These inflow values were then re-assessed by allowing the BCM-determined inflows to vary when the Borrego Basin model was calibrated (USGS Report p.128).

FIGURE 1

WATER BALANCE



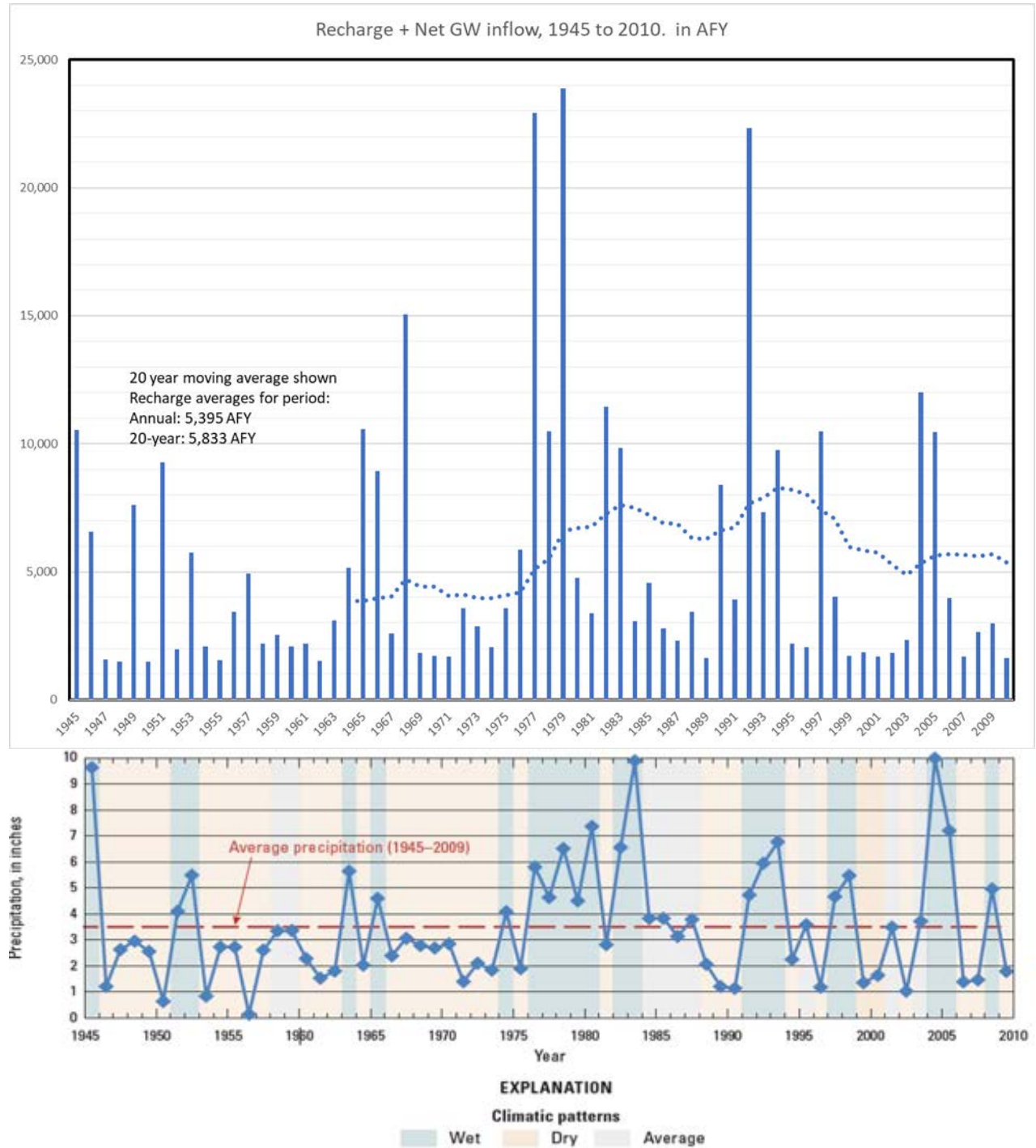
- INFLOWS: RECHARGE (SURROUNDING WATERSHED INFLOW)
 LATERAL GROUNDWATER
 IRRIGATION RETURN FLOWS
- OUTFLOWS: PUMPING
 LATERAL GROUNDWATER
 EVAPORATION - NATIVE PLANTS

		<u>Current</u>		<u>Target</u>	
		Inflows	Outflows	Inflows	Outflows
Groundwater		1400	525	1400	525
Natural Recharge		4300		4300	
GW-Dependent ET			400		400
Irrigation Return Flow (10%)		2204		570	
	Pumping		22,044		5,700
	totals	<u>7904</u>	<u>22969</u>	<u>6270</u>	<u>6625</u>
	net		-15065		-355

The basinwide water balance is based on the USGS Model and uses the current baseline pumping allocation of 22,044 AFY.

The USGS model's annual recharge rates calculated for the 1945 to 2010 model period of 66 years are shown in **Figure 2**. Also shown is the rainfall record for Borrego Desert State Park (station 040983) presented as Figure 3 in the USGS Model Report.

FIGURE 2



The recharge rates shown in **Figure 2** include groundwater inflow and the water that enters from adjacent watersheds- a value that varies over time. As noted above, the watershed inflows were calculated independently of the groundwater model by the USGS' BCM. Review of the recharge values shows that the inflows have a wide range of values, that high recharge events occur on a decadal scale, and there is some periodicity to the time series. The average value for the 1945 to 2010 period generally cited as the model period was 5,395 AFY. The 20-year average, a period equal to that described under SGMA, is also shown in **Figure 2** to also illustrate how the average recharge rate varies over time when viewed over the 20-year time GSP planning period. The years with high recharge, though infrequent, cause the 20-year averages to generally be higher than the annual recharge rates.

Figure 2 also includes a graph of the rainfall record included in the USGS Report for Borrego Valley. Visually there is a good correlation between precipitation and recharge events. Recharge predominantly occurs as a result of inflows along the basin margins so the correlation indicates that the inflows are readily recharged as they occur.

The USGS groundwater model focused on the 1945 to 2010 period and was updated through 2016 by Dudek (as described in a). The target pumping rate of 5700 AFY was established based on a recharge inflow rate that consists of 1400 AFY of groundwater inflow and 4300 AFY of surficial recharge per the USGS Report. **Table 1** summarizes the statistics of the recharge values.

Table 1. Recharge Values (Inflow) from USGS Model (1945 to 2016)

Year Ending	GW Inflow AFY	Recharge AFY	Total Recharge AFY	20-yr Average AFY	Year Ending	GW Inflow AFY	Recharge AFY	Total Recharge AFY	20-yr Average AFY
1945	1,366	9,182	10,548		1981	1,366	2,011	3,377	6,771
1946	1,366	5,201	6,568		1982	1,366	10,071	11,437	7,266
1947	1,366	196	1,562		1983	1,366	8,443	9,809	7,601
1948	1,370	112	1,482		1984	1,370	1,679	3,049	7,496
1949	1,366	6,232	7,599		1985	1,366	3,183	4,549	7,195
1950	1,366	127	1,493		1986	1,366	1,402	2,769	6,888
1951	1,366	7,915	9,282		1987	1,366	926	2,293	6,872
1952	1,370	594	1,964		1988	1,370	2,039	3,409	6,291
1953	1,366	4,375	5,741		1989	1,366	233	1,600	6,280
1954	1,366	725	2,091		1990	1,366	7,016	8,382	6,614
1955	1,366	174	1,540		1991	1,366	2,515	3,882	6,723
1956	1,370	2,067	3,437		1992	1,370	20,913	22,283	7,659
1957	1,366	3,566	4,932		1993	1,366	5,915	7,282	7,879
1958	1,366	828	2,195		1994	1,366	8,348	9,714	8,263
1959	1,366	1,151	2,517		1995	1,366	787	2,153	8,191
1960	1,370	696	2,066		1996	1,370	656	2,026	8,000
1961	1,366	835	2,202		1997	1,366	9,088	10,454	7,377
1962	1,366	163	1,529		1998	1,366	2,625	3,992	7,054
1963	1,366	1,741	3,108		1999	1,366	318	1,684	5,944
1964	1,370	3,785	5,155	3,851	2000	1,370	450	1,820	5,798
1965	1,366	9,204	10,570	3,852	2001	1,366	283	1,650	5,712
1966	1,366	7,548	8,915	3,969	2002	1,366	428	1,795	5,230
1967	1,366	1,231	2,597	4,021	2003	1,366	932	2,298	4,854
1968	1,370	13,666	15,036	4,698	2004	1,370	10,615	11,985	5,301
1969	1,366	459	1,825	4,410	2005	1,366	9,034	10,401	5,593
1970	1,366	337	1,704	4,420	2006	1,366	2,563	3,929	5,652
1971	1,366	330	1,697	4,041	2007	1,366	292	1,658	5,620
1972	1,370	2,193	3,563	4,121	2008	1,370	1,229	2,599	5,579
1973	1,366	1,512	2,878	3,978	2009	1,366	1,572	2,938	5,646
1974	1,366	671	2,037	3,975	2010	1,366	234	1,601	5,307
1975	1,366	2,215	3,581	4,077	2011 (update)	1,366	1,182	2,548	5,240
1976	1,370	4,482	5,852	4,198	2012 (update)	1,370	6,493	7,863	4,519
1977	1,366	21,545	22,912	5,097	2013 (update)	1,366	1,948	3,314	4,321
1978	1,366	9,100	10,467	5,510	2014 (update)	1,366	1,617	2,983	3,985
1979	1,366	22,504	23,871	6,578	2015 (update)	1,366	2,313	3,679	4,061
1980	1,370	3,372	4,742	6,712	2016 (update)	1,370	1,768	3,138	4,116
				Averages: 1945 to 2010		1,367	3,905	5,395	5,833
				1945 to 2016					
				Average		1,367	3,905	5,272	5,668
				Median		1,366	1,858	3,226	5,593
				Maximum		1,370	22,504	23,871	8,263
				Minimum		1,366	112	1,482	3,851
				Range		4	22,392	22,388	4,412

Review of the model recharge values in **Table 1** emphasizes how much the recharge varies over time and the relative impact of infrequent ‘wet’ years. The annual recharge rate (1945 to 2016) has a wide range of 1,482 to 23,871 AFY with an average of 5272 AFY (versus the USGS’ stated average of 5700 AFY for the 1945 to 2010 period). The median, the midpoint of all of the values, is 3226 AFY. This statistic indicates that half of the time the recharge rate was 3226 AFY or less.

The 20-year averages provide time intervals in the context of the 20-year GSP planning period. Due to the occurrence of a few years with very high recharge rates the 20-year values are, on average, greater than the annual values. Especially noteworthy is comparison of two ‘back to back’ periods- 1955 to 1974, and 1975 to 1994 where the 20-year averages were 3,975 AFY and 8,263 AFY, respectively (refer to the 20-year values for 1974 and 1994). The effect of pumping reductions over a 20-year GSP would be very different during these two ‘dry’ and ‘wet’ periods.

Irrigation Return Flows

The bulk of current groundwater use is for farm and golf course irrigation. A portion of this water returns to the aquifer as a ‘return flow’. The rate and timing of irrigation return flows to the aquifer depend on multiple factors. Among these include:

1. How much the application rate exceeds plant and crop demand. For example, irrigation may be applied at a rate that exceeds crop or turf demand to manage the soil so as to reduce soil salinity for plant health. Overwatering and system leakage may also occur.
2. Surface soil moisture conditions. Soils have a ‘soil moisture capacity’ and can retain a significant quantity of water that will not pass downward when the moisture levels are less than the moisture capacity. Water will then be lost as evaporation from wet soils.
3. Plant root depth. Crops and plants will have varying root depths and thus varying ability to extract water from soil after it is applied.
4. Movement and potential storage of water in the unsaturated zone above the aquifer. Unsaturated flow is highly dependent on soil moisture (or residual moisture- water that is retained in soil following a wetting event). As noted by the USGS Report (p. 3), “[D]epending on the thickness, permeability, and residual moisture content in the relatively thick unsaturated zone, it takes tens to hundreds of years for the bulk of return flow to reach the water table. In addition, not all water that reaches the root zone reaches the water table because some water is lost through evapotranspiration or goes into storage in the unsaturated zone. Therefore, in many areas, water that is applied to previously unirrigated land arrives at the underlying water table decades or longer after it is applied.”

A distinction needs to be made here between recharge that occurs as a result of surface water inflows versus infiltration of irrigation return flows. Comparison of the annual precipitation record and the recharge calculated by the model (**Figure 2**) suggests that groundwater recharge may be occurring fairly rapidly. The typical conceptual model for infiltration is that of piston flow where infiltration is transmitted rapidly through the vadose zone. Most of this type of recharge occurs along the edges of the basin as a result of surface water flows entering stream channels and floodplains in the valley. In contrast the volume of recharge that occurs within the valley by direct infiltration of rainfall and irrigation return flow is relatively low and has the potential to occur more slowly as discussed above. The USGS model included a 16 year ‘spin up’ period (prior to 1945) to allow for the delay associated with vadose zone recharge (see page 86 of the USGS Report).

Irrigation return flows are determined in the groundwater model using the Farm Process Package, or FMP. As described in the USGS Model Report (Table 9) the FMP is used to “*Setup and solve equations simulating use and movement of water on the landscape as irrigated agriculture, municipal landscape,*

and natural vegetation.” In turn it supports the time-dependent calculation of water flow within the unsaturated zone using the unsaturated zone flow package, or UZF, that *“Simulates the infiltration and exfiltration of water below the root zone through the unsaturated zone in combination with FMP.”* The calculations are used in the model to determine the volume of irrigation that flows below the root zone and enters the unsaturated zone. The UZF simulates the downward flow of water from beneath the root zone to the water table and thus incorporates a time delay.

The vadose zone flow rate (UZF flow) is compared here to the total pumping rate based on review of Dudek’s model update report (as presented to the Borrego Advisory Committee 11/2017). Appendix B of the report tabulates, by year, the UZF flows and total pumping rates. Over the last 10 years of the model the UZF flows are approximately 10% of total pumping, and range from 7 to 13%. Combined agricultural and golf course irrigation represent approximately 80% of total pumping so these rates correspond to irrigation-specific return flow rates of approximately 9 to 16%.

The return flow values used here are derived from the model output and may appear lower than what is stated in the USGS report introduction (p.2) where: *“Since agricultural, recreational, and municipal land uses have been developed, a relatively small amount of recharge also occurs from excess irrigation water and septic-tank effluent. Recharge from irrigation return flows, as indicated by the model results, was about 10–30 percent of agricultural and recreational pumpages”*. Review of the model results do show irrigation return flow (UZF) rates historically occurred in the range of 10 to 30 percent; however, the rates have decreased over time and are now approximately 10 percent (see, for example, Figure 6 of the model update report). The current model-determined irrigation return flow rate of 10 percent (of total pumping, roughly 13% of irrigation-related pumping) is used in this Draft Report.

For reference a 15% excess water application rate for soil management is stated without basis to be necessary for irrigation done in the Coachella Valley per RWQCB-Colorado Region Order R9-2014-0046 [https://www.waterboards.ca.gov/coloradriver/board_decisions/adopted_orders/orders/2014/0046cv_ag_waiver.pdf]. The UZF-calculated rates are similar given that not all of the water can be assumed to pass through the relatively deep vadose zone that occurs in the Borrego Valley. The amount of water required for soil management will vary with irrigation method, soil type, season, and crop type.

These water balance calculations do not address water quality impacts due to irrigation return flows. Irrigation return flows will contain elevated levels of dissolved salts due to the evaporation of applied water and water in excess of crop demand is necessary to manage soil salinity and maintain soils for cultivation. Return flows also have the potential to mobilize minerals such as naturally-occurring evaporites from the vadose zone. In addition, contaminants such as nitrates and pesticides can accumulate in the vadose zone and subsequent transport may indeed take years. As a result, irrigation water applied at the start of the 20-year GSP planning period has the potential to contaminate the aquifer both during and possibly after the planning period.

1.2 OUTFLOWS

Per the USGS model description (p.115): “Groundwater discharge occurs from three primary sources - (1) evapotranspiration in areas where the water table is shallow and direct uptake from plants (mostly in and around the Borrego Sink) can occur; (2) a small amount of seepage from the southern end of the basin; and (3) groundwater pumpage for agricultural, recreational, and municipal uses.”

Evapotranspiration (ET).

Consumptive use of groundwater by native plants (phreatophytes) within the Borrego Basin is primarily associated with mesquite trees located mostly in and around the Borrego Sink where shallow groundwater condition historically occurred. The current ET rate is estimated to be 400 AFY. Historically it is estimated that ET was 7,100 AFY prior to development-related groundwater extraction (USGS Report, p. 129). It has declined over time and was estimated to be approximately 1,220 AFY in 1980 (Moyle, 1982). The decrease is due to the loss of phreatophytes due to the long-term groundwater level decline.

Groundwater Outflow.

Similar to groundwater inflow, while the USGS model can allow for time-varying groundwater outflow rates, the outflow rate was relatively constant over the model duration, approximately 525 AFY. Note that since groundwater outflow is less than groundwater inflow (1400 AFY) there is a net accumulation of groundwater in the Borrego Basin at an approximate rate of 875 AFY.

Total Pumping

A starting value of 22,044 AFY is used in this draft report that corresponds to the currently-estimated baseline pumping allocation. The water balance calculations assume for demonstration purposes that pumping rates decline at a constant annual rate over a 20-year period until the rate is reduced to 5700 AFY. This methodology can assume various pumping schedules to examine overdraft over time.

1.3 Current Water Balance

The current water balance is shown in **Figure 1**. The rate of overdraft is approximately 15,000 AFY. As previously described, this is based on the overall water balance parameters established by the USGS groundwater model and the currently-estimated baseline pumping allocation.

Note that when the target pumping rate of 5700 AFY is applied there is a net negative balance of 355 AFY equal to approximately 6% of the target pumping rate. Given the overall uncertainties in the water balance, future refinements of the water balance parameters may be required should this methodology be used to assess cumulative overdraft under the GSP.

2.0 Sustainable Pumping Rate: Baseline Rate and Reductions

SGMA describes a maximum 20-year attainment period starting in 2020 with 5-year assessment periods (refer to the GSP for further details). SGMA does not mandate a 20-year period and therefore does not preclude using shorter timeframes for attainment. Calculations are presented here for a baseline case that includes:

- A baseline pumping allocation of 22,044 AFY
- An average annual groundwater recharge (inflow) rate of 5700 AFY (The stated value in the USGS Model Report. **Table 1** includes the annual values and summary statistics.)
- Evapotranspiration (native plant ET) rate of 400 AFY
- Groundwater outflow rate of 525 AFY
- Irrigation return flow rate of 10% pf total pumping.

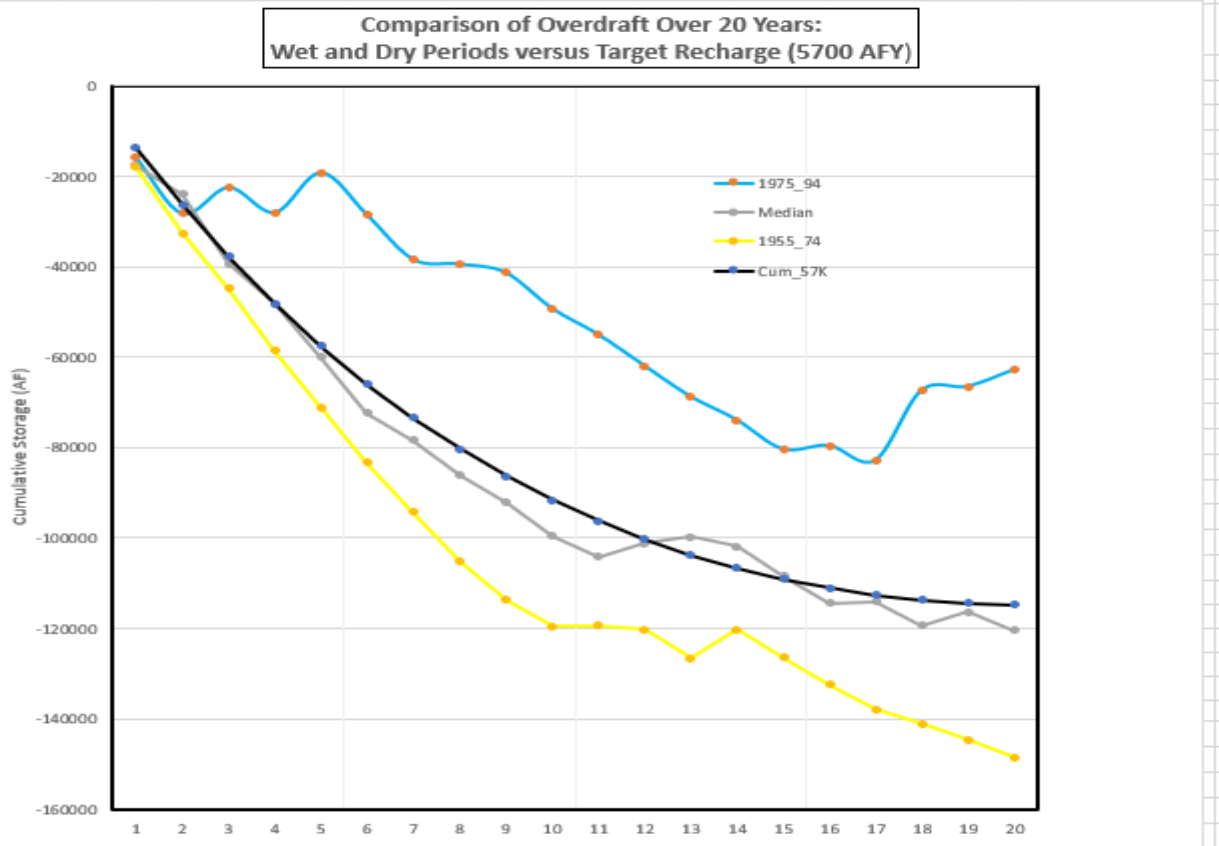
An Excel spreadsheet was used to calculate the water balance where the pumping rate is reduced by a fixed percentage each year until the pumping rate is reduced from 22,044 to 5700 AFY at the end of the 20-year period. This requires an annual reduction of approximately 6.5% per year. The cumulative volume of net groundwater removal from storage, or groundwater overdraft, is calculated over the 20-year SGMA planning timeframe.

Figure 3 shows the results. Four groundwater recharge rates are used to calculate overdraft over the 20 year period using the same pumping rate reductions. The calculates the effect of using recharge values from the USGS Model for low, median, and high recharge periods. Here the periods of 1955 to 1974 (low), and 1975 to 1994 (high), are used to illustrate how the range of recharge rates compare to the rate used to set the target pumping rate. The median recharge rate is also shown.

Review of the results demonstrates

- Total overdraft is approximately 115,000 AF when an annual average recharge rate of 5700 AFY is assumed.
- Overdraft is as high as 149,000 AF under the low recharge conditions (29% more than for the average recharge rate of 5700 AFY).
- An overdraft of 63,000 AF occurs even under the 'wettest' recharge conditions

FIGURE 3

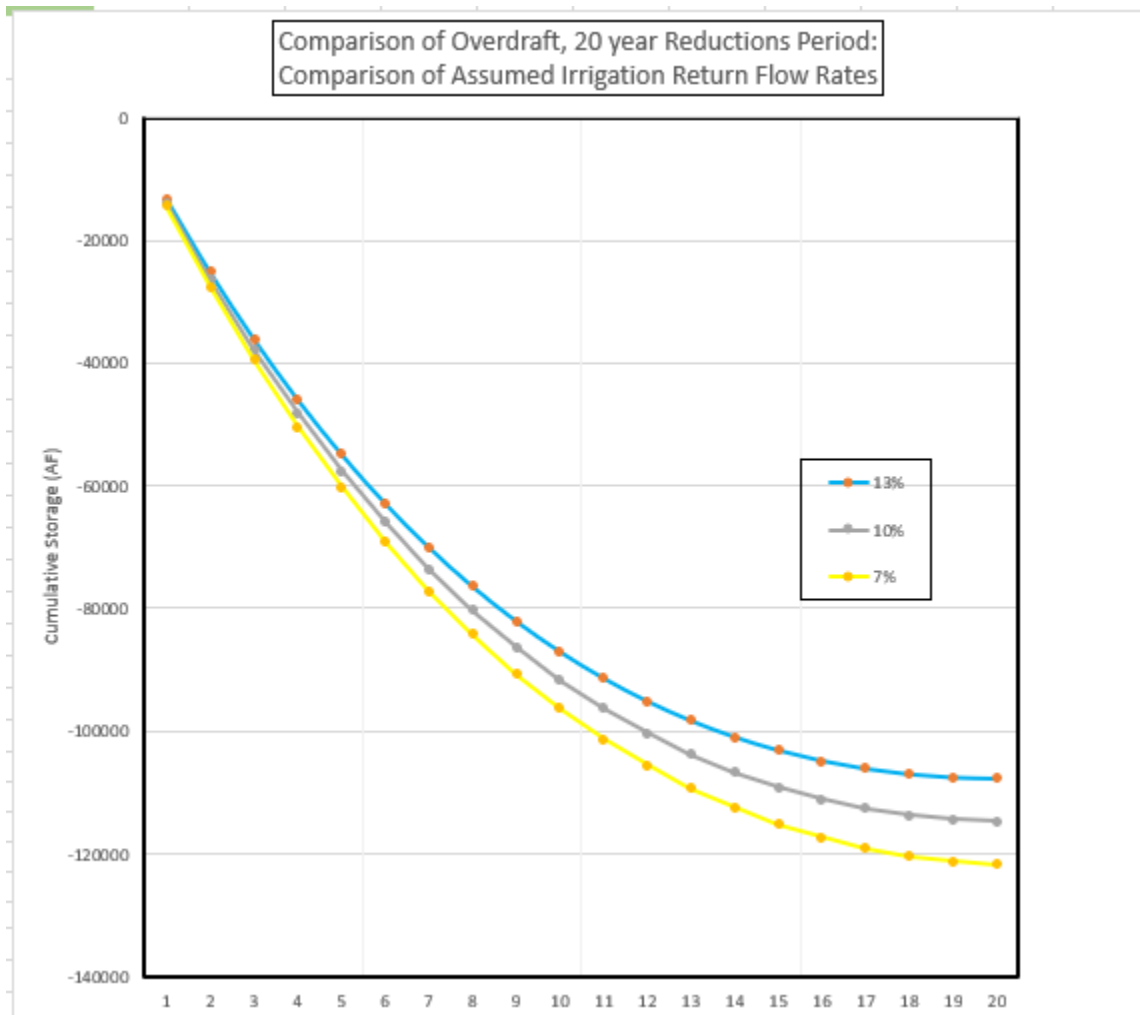


year	INFLOW (AFY)					OUTFLOW (AFY)			NET: INFLOW-OUTFLOW (AFY)									
	GW-in	Natural Recharge		Irrigation Return		GW_out	ET	Q_total	Cumulative storage				Annual Change in Storage					
	(GW BC)	1975_95	Median	1955_75				22044	yr	1975_94	5700 AFY	Median	1955_74	1975_94	5700 AFY	Median	1955_74	
1	1400	2215	470	174	2060	525	400	20603	1	-15852	-13767	-17597	-17893	-15852	-13767	-17597	-17893	
2	1400	4482	10540	2067	1926	525	400	19255	2	-28225	-26322	-23912	-32681	-12373	-12555	-6315	-14787	
3	1400	21545	259	3566	1800	525	400	17996	3	-22401	-37744	-39374	-44836	5824	-11422	-15462	-12156	
4	1400	9100	5894	828	1682	525	400	16819	4	-27963	-48106	-48143	-58671	-5562	-10363	-8769	-13834	
5	1400	22504	1803	1151	1572	525	400	15720	5	-19131	-57479	-60013	-71193	8832	-9373	-11870	-12522	
6	1400	3372	467	696	1469	525	400	14692	6	-28507	-65926	-72294	-83244	-9375	-8448	-12281	-12052	
7	1400	2011	5808	835	1373	525	400	13731	7	-38379	-73509	-78369	-94292	-9872	-7583	-6075	-11048	
8	1400	10071	3291	163	1283	525	400	12833	8	-39383	-80284	-86152	-105204	-1004	-6775	-7783	-10912	
9	1400	8443	4380	1741	1199	525	400	11994	9	-41260	-86304	-92092	-113782	-1877	-6020	-5940	-8578	
10	1400	1679	2223	3785	1121	525	400	11210	10	-49195	-91618	-99483	-119611	-7935	-5314	-7391	-5828	
11	1400	3183	4325	9204	1048	525	400	10477	11	-54966	-96272	-104112	-119360	-5771	-4654	-4629	250	
12	1400	1402	11249	7548	979	525	400	9792	12	-61901	-100309	-101200	-120150	-6935	-4037	2912	-789	
13	1400	926	9182	1231	915	525	400	9151	13	-68736	-103770	-99780	-126680	-6835	-3461	1420	-6531	
14	1400	2039	5201	13666	855	525	400	8553	14	-73920	-106693	-101801	-120237	-5184	-2923	-2021	6443	
15	1400	233	196	459	799	525	400	7994	15	-80406	-109112	-108325	-126498	-6486	-2419	-6523	-6260	
16	1400	7016	112	337	747	525	400	7471	16	-79639	-111061	-114461	-132409	767	-1949	-6137	-5912	
17	1400	2515	6232	330	698	525	400	6982	17	-82933	-112570	-114038	-137888	-3294	-1509	423	-5479	
18	1400	20913	127	2193	653	525	400	6526	18	-67418	-113669	-119310	-141093	15515	-1098	-5272	-3205	
19	1400	5915	7915	1512	610	525	400	6099	19	-66517	-114383	-116409	-144596	901	-714	2901	-3502	
20	1400	8348	594	671	570	525	400	5700	20	-62824	-114738	-120469	-148580	3692	-355	-4061	-3984	
avg:		6896	4013	2608										chk sum:	-62824	-114738	-120469	-148580
yr end		1995	1952	1975														

Irrigation return flows represent a portion of the water balance that also has a degree of variability. A range of 7 to 13% (of total pumping, roughly 9 to 16% of irrigation pumping) is shown in **Figure 4** using the same parameters used in **Figure 3** to assess the relative impact of irrigation return flows on the water balance. The overdraft after 20 years is within 6 percent of the baseline case.

Overall the results demonstrate that the primary uncertainty associated with the overdraft calculations is due to the variability of the historically-observed recharge rates.

FIGURE 4

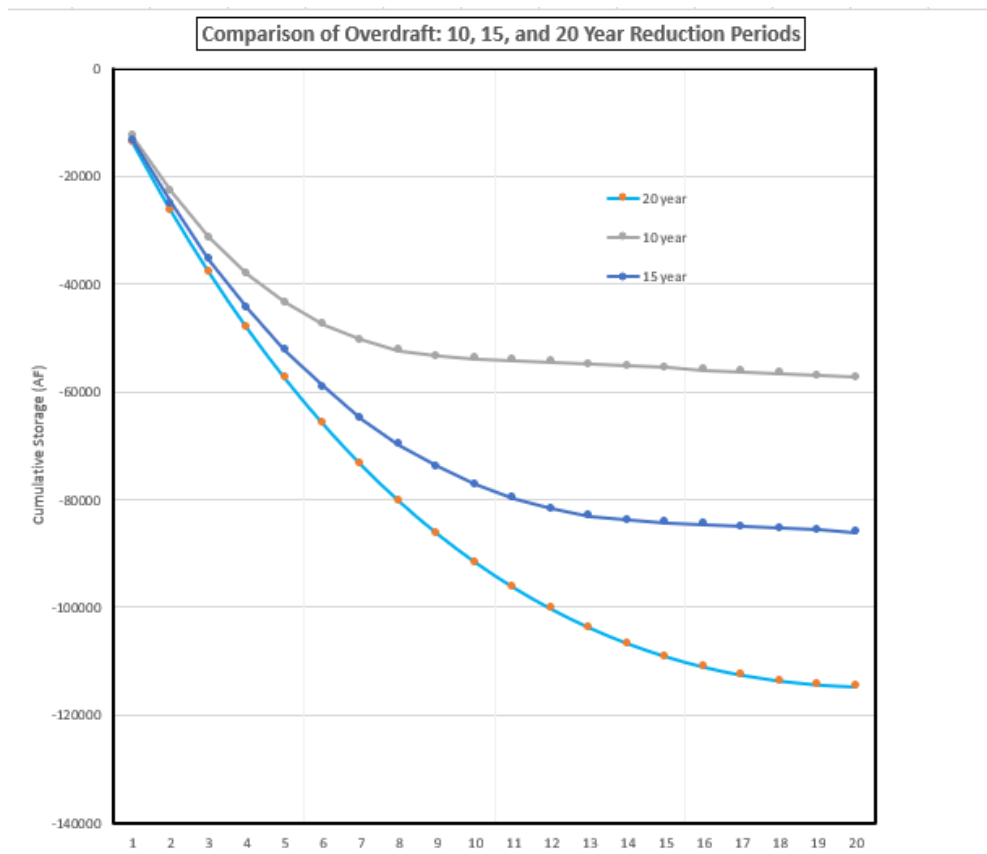


2.1 Effect of Reduction Periods Less Than 20 years

A maximum 20-year groundwater pumping reduction period is described in SGMA (DWR, 2017). The water balance calculations can be used to generally illustrate how overdraft will be affected by changing the reduction period. In this case the pumping reductions are done over 10, 15, and 20 years. Annual pumping rates are reduced for these cases by approximately 6.5, 8.6, and 12.7 % per year. The same water balance values are used as done for **Figure 3** with a target pumping rate of 5700 AFY.

The result of varying the reduction periods is that overdraft is substantially reduced. Since constant reduction rates were used the corresponding overdraft after 20 years went from approximately 115,000 AF to 86,000 AF for the 15-year period. Overdraft reduces to 58,000 AF for the 10-year period. These correspond to 75% and 50%, respectively, of the overdraft that would be experienced after 20 years. A shorter reduction period provides for less uncertainty because overdraft and its associated uncertainty increase cumulatively over the reduction period.

FIGURE 5



The calculations are summarized in the following table. A 10% irrigation return flow (of total pumping) is assumed and the total amount of recharge entering the basin is held constant at 5700 AFY. Outflows are also held at average annual values of 525 AFY for groundwater and 400 AFY for native plant consumptive use (evapotranspiration, or ET).

Based on these values there is a net negative balance of 355 AFY using the target pumping rate. The relative impact of the negative balance is small compared to the magnitude of the cumulative overdraft for the 10, 15, and 20 year periods.

FIGURE 5, continued

year	INFLOW (AFY)					OUTFLOW (AFY)					NET: INFLOW-OUTFLOW (AFY)						
	GW-in	Recharge	Irrigation			GW_out	ET	Q_20	Q_15	Q_10	Cumulative storage			Annual Change in Storage			
	(GW BC)		Return	20 year	15 year	10 year			22044	22044	22044	yr	20 year	15 year	10 year	20 year	15 year
1	1400	4300	2060	2014	1926	525	400	20603	20143	19255	1	-13767	-13354	-12555	-13767	-13354	-12555
2	1400	4300	1926	1841	1682	525	400	19255	18406	16819	2	-26322	-25144	-22917	-12555	-11791	-10362
3	1400	4300	1800	1682	1469	525	400	17996	16819	14691	3	-37744	-35507	-31364	-11422	-10362	-8447
4	1400	4300	1682	1537	1283	525	400	16819	15369	12833	4	-48106	-44563	-38139	-10363	-9057	-6775
5	1400	4300	1572	1404	1121	525	400	15720	14043	11209	5	-57479	-52428	-43452	-9373	-7864	-5313
6	1400	4300	1469	1283	979	525	400	14692	12833	9791	6	-65926	-59202	-47489	-8448	-6774	-4037
7	1400	4300	1373	1173	855	525	400	13731	11726	8553	7	-73509	-64980	-50412	-7583	-5778	-2922
8	1400	4300	1283	1071	747	525	400	12833	10715	7471	8	-80284	-69849	-52360	-6775	-4868	-1949
9	1400	4300	1199	979	653	525	400	11994	9791	6525	9	-86304	-73885	-53458	-6020	-4037	-1098
10	1400	4300	1121	895	570	525	400	11210	8947	5700	10	-91618	-77162	-53813	-5314	-3277	-355
11	1400	4300	1048	818	570	525	400	10477	8175	5700	11	-96272	-79745	-54168	-4654	-2583	-355
12	1400	4300	979	747	570	525	400	9792	7470	5700	12	-100309	-81693	-54523	-4037	-1948	-355
13	1400	4300	915	683	570	525	400	9151	6826	5700	13	-103770	-83062	-54878	-3461	-1368	-355
14	1400	4300	855	624	570	525	400	8553	6237	5700	14	-106693	-83900	-55233	-2923	-839	-355
15	1400	4300	799	570	570	525	400	7994	5700	5700	15	-109112	-84255	-55588	-2419	-355	-355
16	1400	4300	747	570	570	525	400	7471	5700	5700	16	-111061	-84610	-55943	-1949	-355	-355
17	1400	4300	698	570	570	525	400	6982	5700	5700	17	-112570	-84965	-56298	-1509	-355	-355
18	1400	4300	653	570	570	525	400	6526	5700	5700	18	-113669	-85320	-56653	-1098	-355	-355
19	1400	4300	610	570	570	525	400	6099	5700	5700	19	-114383	-85675	-57008	-714	-355	-355
20	1400	4300	570	570	570	525	400	5700	5700	5700	20	-114738	-86030	-57363	-355	-355	-355
avg:														chk sum:	-114738	-86030	-57363
																75%	50%

3.0 Relationship Between Overdraft and Water Levels

Overdraft is measured as the net amount of water pumped from the aquifer. The water balance calculations provide a broad overview of hydrologic conditions within the Borrego Basin and directly relate to the effect of pumping restrictions specific to groundwater sustainability. Water level declines within the Borrego Basin will vary within the aquifer depending on localized pumping rates, localized aquifer response to pumping and overdraft, site-specific aquifer conditions, and recharge.

3.1 Calculating Water Level Decline in Response to Overdraft

Overdraft has caused and continues to cause water levels in the aquifer system to decline fairly rapidly over time. The water is coming from water stored in the aquifer. Here the aquifer is comprised of sand, silt, and clay- materials that have open pore space that contains water. When the water level is lowered most of the water drains from the aquifer with some of the water being retained.

A hydrologic parameter known as the specific yield (S_y) expresses how much water will freely drain from an unconfined aquifer, as a percentage of the aquifer volume, as water levels drop. For example, a S_y value of 10% means that a 1 cubic foot of aquifer will yield one 0.1 cubic foot of water for a water level drop of 1 foot¹. However, locally under pumping, water levels at specific wells would also depend on the hydraulic conductivity (K) of the particular aquifer materials intersected by the well and on the well characteristics. For a well being pumped the drawdown (drop in water level in the well) is approximately proportional to pumping rates, and inversely proportional to hydraulic conductivity; hence an order of magnitude reduction in K would increase drawdown approximately by an order of magnitude. In addition to the general consideration of overdraft and storage depletion this has implications on the choice of well location, well construction (screen interval, etc.), and potential energy costs.

The USGS model uses three sets of S_y values for the upper, middle, and lower aquifers. Review of Table 18 of the USGS model report indicates that S_y varies spatially for each of the aquifers. The average S_y values for these three aquifers in the model are:

Upper Aquifer: 0.13
Middle Aquifer: 0.11
Lower Aquifer: 0.04

¹ In terms of acre-feet (AF), an acre-wide area of the aquifer will yield 0.1 acre-feet of water when the water level drops one foot for a $S_y = 0.10$. Under these conditions a ten-foot drop in water level is required to release one AF of water from an acre of the aquifer. However, locally, water levels in production wells will also depend on the hydraulic conductivity (K) of the aquifer. Drawdown at a well will increase as K decreases in order to maintain a constant production rate.

The model S_y values for the upper and middle aquifers are roughly similar and mean that the water level in the aquifer will drop at roughly the same rate as water is extracted from these aquifers. This is important because it means that current water level decreases are roughly proportional to the amount of overdraft. In contrast the rate of water decline due to removal of water from storage will accelerate approximately 3-fold should the middle aquifer be dewatered. This comparison assumes that the middle and lower aquifers are unconfined- an assumption made in the model construction that may not be valid across the Borrego Basin.

The USGS Report examined six future pumping scenarios. Scenario 6 assumed that agricultural pumping would be reduced to 40% of the 2010 rates and that municipal and recreational pumping would be reduced by 50% (USGS report Table 20). After 20 years the pumping rates are held constant for another 30 years. The starting pumping rate was 18,271 AFY and total pumping in year 20 decreases to 7824 AFY. This Scenario does not comply with SGMA sustainability requirements but is used here to show how water levels relate to overdraft. The reduced pumping rate of 7824 AFY is 37% above the 5700 AFY target and is too high to prevent long-term overdraft and achieve sustainability.

Cumulative overdraft after 50 years, as shown in **Figure 6**, is approximately 200,000 AF for Scenario 6. Prior water balance calculations to achieve sustainability after 20 years under SGMA projected an overdraft of approximately 115,000 AF – a point that is reached after 14 years of pumping in Scenario 6.

Figure 7 (Figure 56 from the USGS Report) shows that water level drawdown calculated by Scenario 6 ranges from 26 to 75 feet in the northern half of the BGVB. The scenario does not specifically show where water levels occur relative to the upper and middle aquifer systems but it noted in the report that “the levels do not decline to the middle aquifer in most of the basin” (p. 124).

If the specific yields of the upper and middle aquifers are similar where overdraft occurs, then the change in water levels due to loss of water in storage will be directly proportional to the degree of overdraft. Under these assumptions the water levels associated with an overdraft of 115,000 AF will be roughly be just more than half of the drawdown indicated in **Figure 7**.

In summary, Scenario 6 is presented as an example of how overdraft as a total volume of water pumped from the aquifer can be related to water level decline. It is important to note that the USGS scenarios provide a large-scale depiction of groundwater conditions and may not represent conditions observed at individual wells or subareas of the Borrego Basin. While local trends may be able to be correlated to local pumping rates, the assessment of localized groundwater conditions under varying pumping conditions will require use of the model.

FIGURE 6

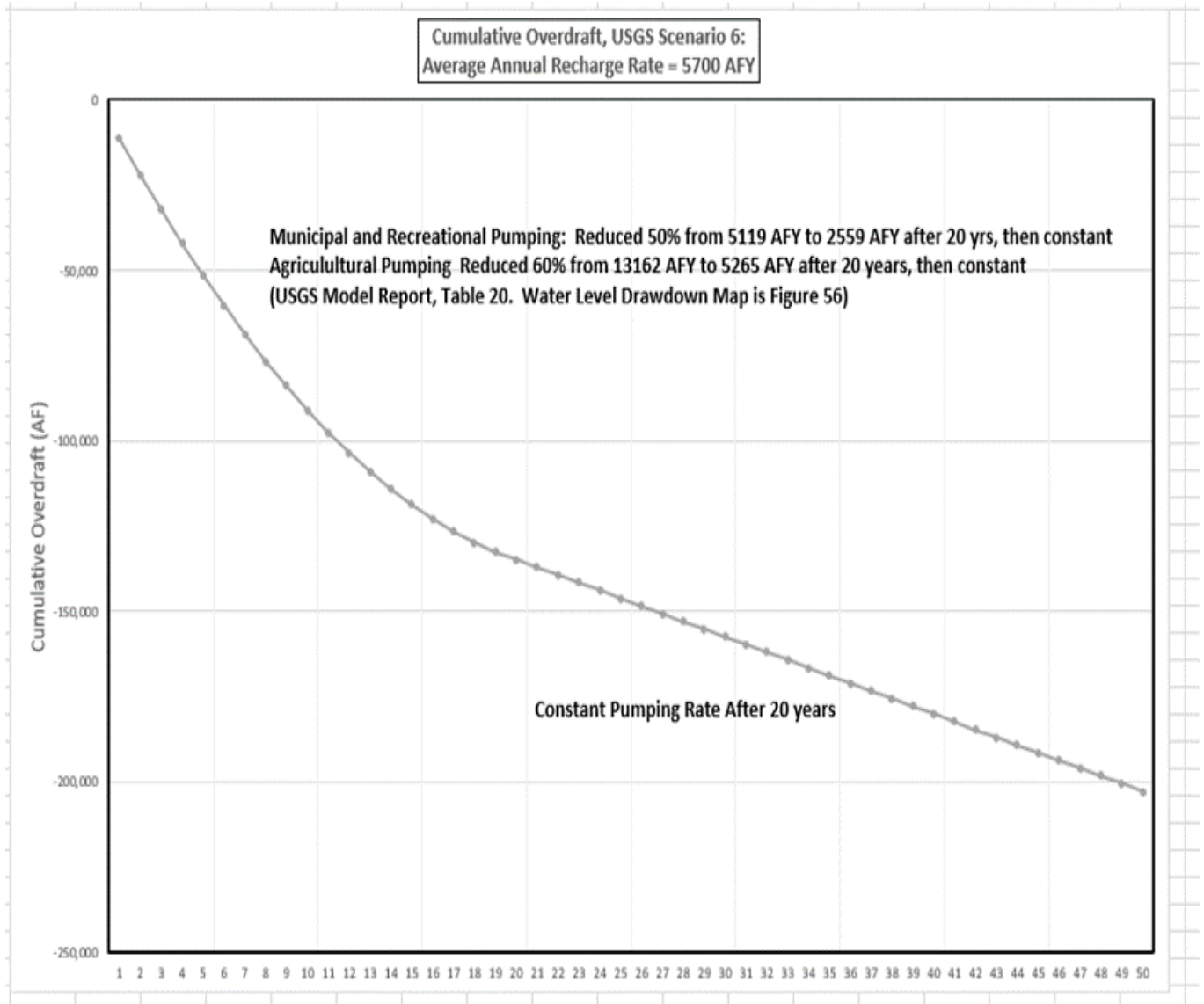


FIGURE 7

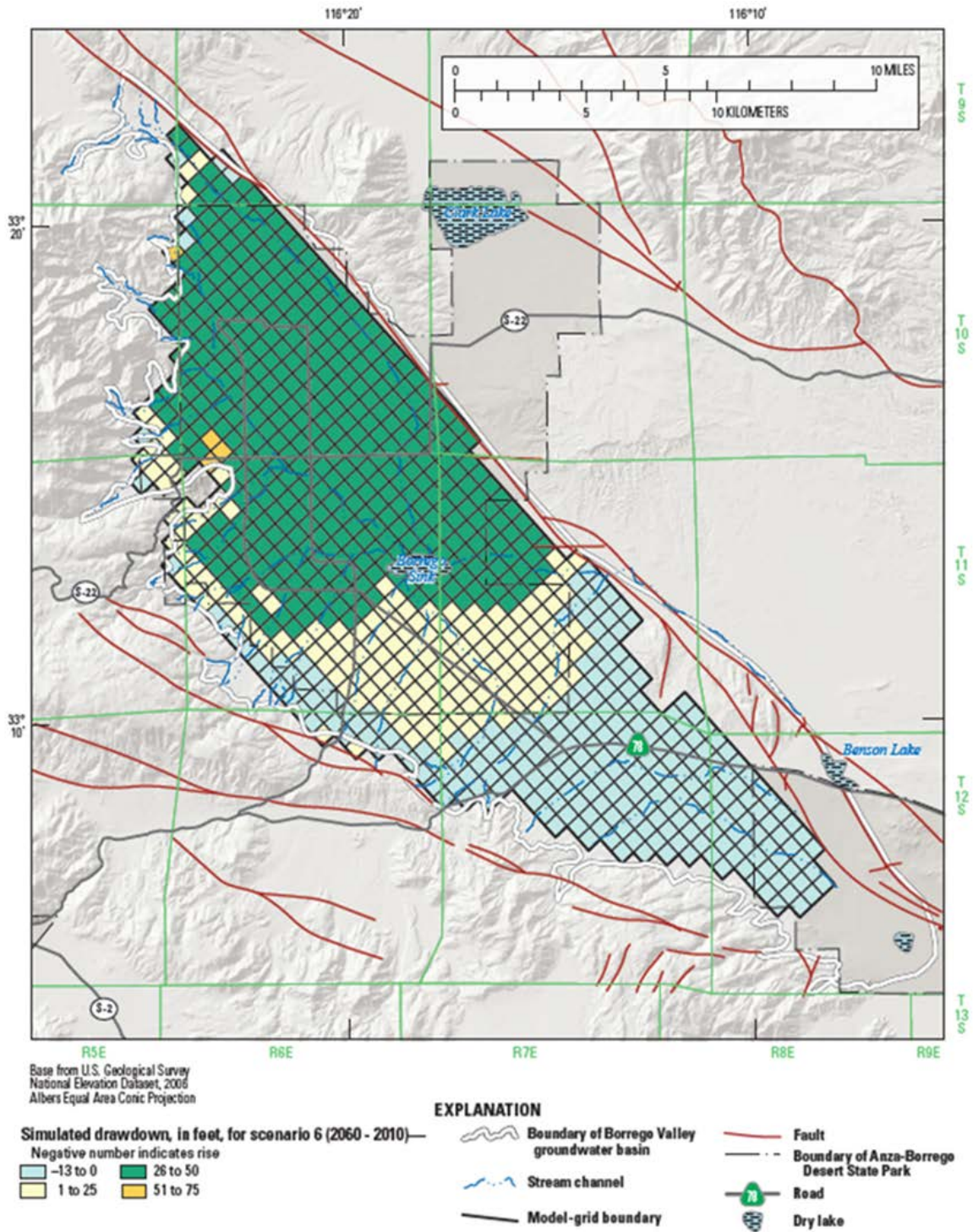


Figure 56. Simulated drawdown projected for Scenario 6, 2060 minus 2010, Borrego Valley Hydrologic Model, Borrego Valley, California.

3.2 Water Level Decline in BWD Production Wells

The BWD currently operates eight production wells located in all three groundwater management areas (north, central, and south). The current rate of water level decline in the basin is on the order of 1 to 3 feet per year (refer to the GSP for additional information).

Conceptually groundwater occurs in three aquifers denoted as the upper, middle, and lower aquifers. Long-term overdraft has effectively led to the loss of much of the upper aquifer as a viable water source across much of the valley. Wells completed in the middle aquifer to date, while not as prolific as wells that were originally installed in the upper aquifer, have been observed to have good water production rates. Of concern is that the once water levels drop into the deeper aquifers with finer-grained materials and lower permeability, water level declines at BWD production wells have the potential to increase in response to pumping.

A well-by-well analysis is not included here and will be subject of further analysis in the GSP.

4.0 Monte Carlo Simulation (MCS) Uncertainty Analysis: Constant Recharge Rate Case (5700 AFY)

All of the water balance inflow and outflow parameters are subject to uncertainty. One way to explicitly incorporate uncertainty into the calculations is using a methodology known as Monte Carlo Simulation (MCS). Each of the parameters is assigned a range of values. The water balance calculations presented in **Figure 3** are then done multiple times by repeated random sampling within the parameter ranges to obtain numerical results. The calculations provide a range of values, rather than a single value.

The essential idea is to create a set of randomly-generated values to examine how the overall water balance is affected by parameter uncertainty. The results are then examined statistically and can be used to assess a plausible range of outcomes and support decision making. In other words, the range of potential overdraft shown in **Figure 3** can be expressed statistically instead of being shown as two extremes. The following constant recharge case assumes that recharge occurs at the stated average of 5700 AFY and pumping is reduced from 22,044 AFY to 5700 AFY over a 20-year simulation period. The following are used for the constant recharge rate case MCS:

Inflow:

Groundwater Inflow: A value of 1400 AFY that ranges +/- 10 percent. A normal distribution (“bell curve”) is used for the range as the USGS model had little flow variation.

Natural Recharge: Held for this first example at the target value of 4300 AFY to assess the effect of uncertainty related to the other water balance parameters independent of recharge. (Recall that total recharge is groundwater inflow + surficial recharge, and totals 5700 AFY as stated in the USGS Model Report)

Irrigation Return Flow: An irrigation return flow rate of 10% is used, with a range of 5 to 15% based on a normal distribution to fully capture the range of 7 to 10%.

Outflow:

Groundwater Outflow: A value of 525 AFY that ranges +/- 10 percent. A normal distribution is used for the range as the USGS model had little flow variation.

Evapotranspiration: 400 AFY with a range of +/- 100. A Uniform Distribution is used where the ET rate varies from 300 to 500 AFY.

Pumping Rate: Reduced over the 20-year period from 22,044 to 5700 AFY, as done in **Figures 5 and 6**. It is a time dependent variable- no uncertainty or range of values has been assigned.

Here the MCS was repeated 10,000 times to develop a range of values for the cumulative overdraft as shown in **Figure 8**. Since irrigation return flows have the highest uncertainty in the MCS simulation the figure appears very similar to **Figure 3**, with the exception that the range of values can now be expressed in terms of a probability distribution function (PDF) as shown as a histogram in **Figure 9**.

FIGURE 8

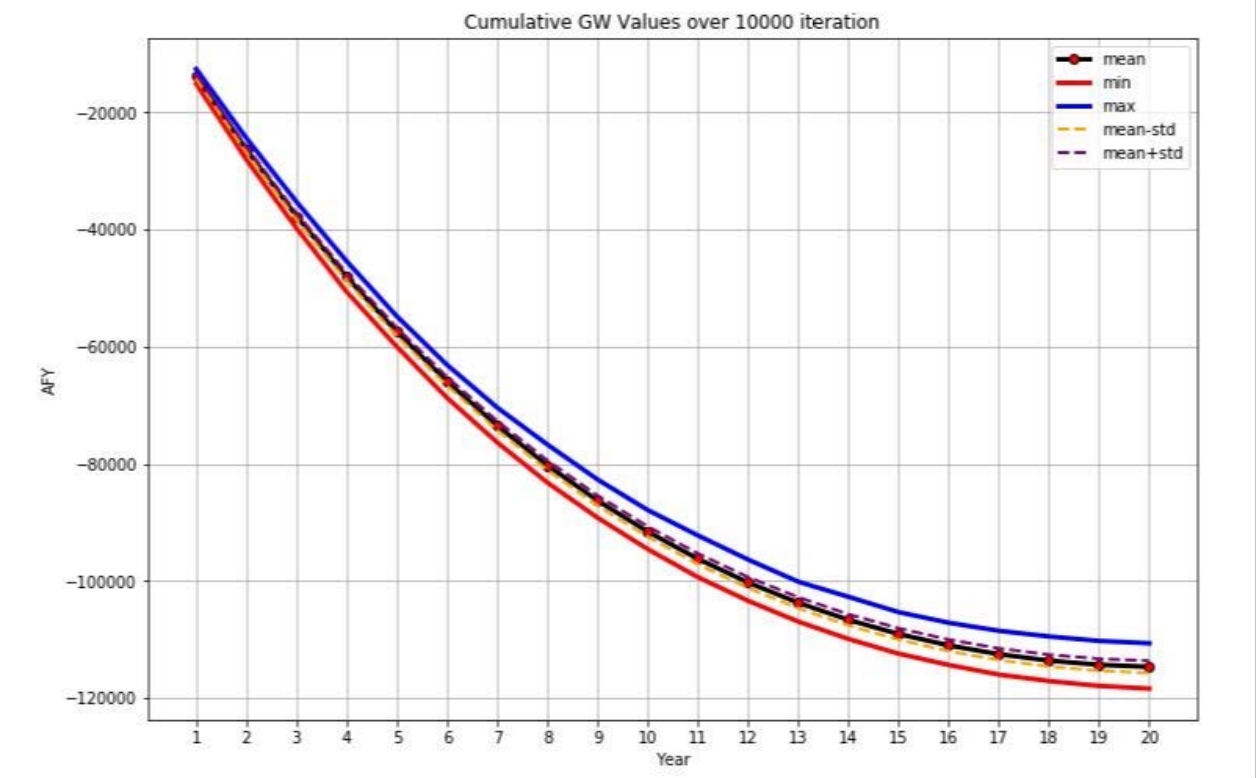
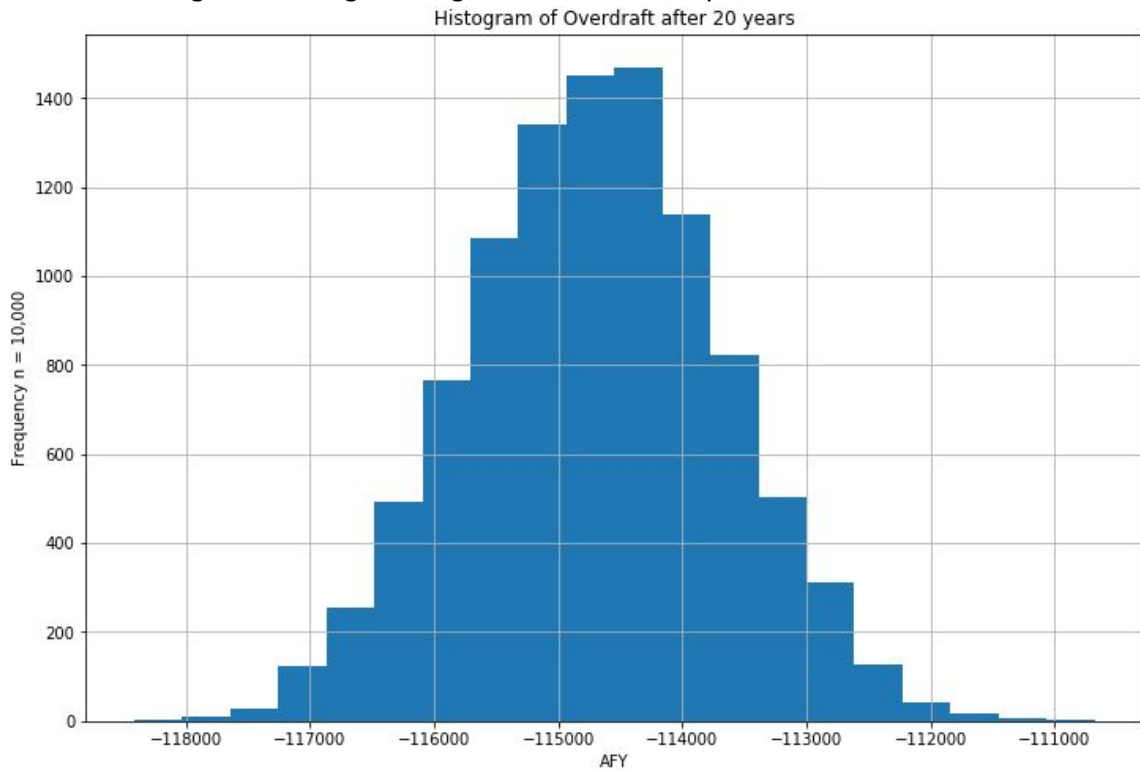


Figure 9 is a histogram showing the range of results after 20 years.



Review of the results show that when recharge is held constant the other parameters have relatively minor influence. The overdraft after 20 years in the MCS had a range of from approximately 110,500 to 118,500 AF, or +/- 4,000 AFY (3.5 percent), and has a Normal Distribution.

When **Figure 8** is compared to the extremes shown in **Figure 3** it is clear that the primary consideration for groundwater management is the potential variability in the recharge rate as driven by rainfall variability.

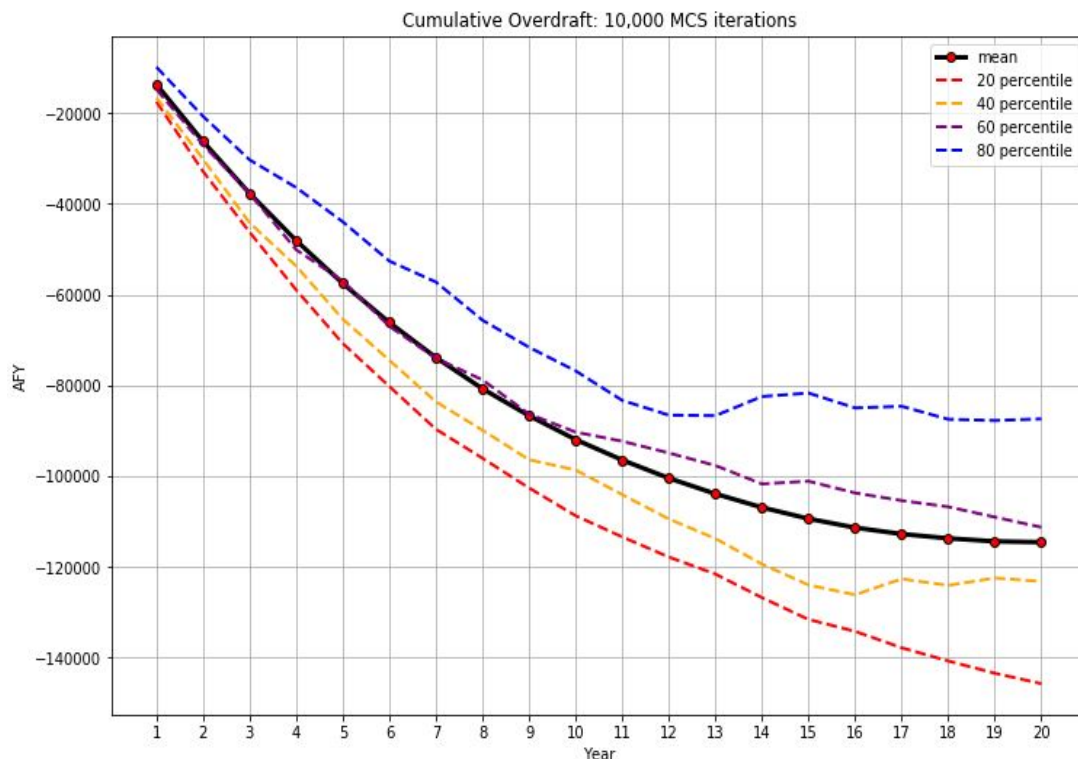
The next section expands the MCS calculation to include a range of recharge rates based on the USGS model results.

5.0 MCS Uncertainty Analysis: Time-varying Recharge Based on USGG Model History

The effect of time-varying recharge is evaluated using the MCS methodology based on the recharge values produced over the model period (as shown in **Figure 3**). All of the simulations are based on the target pumping rate of 5700 AFY being achieved by year 20. Here, 20-year periods are selected at random from the time series. Alternatively, annual data could be randomly selected based on the distribution of values, but this was not done because review of the recharge values shows that there is periodicity within the time series. In effect the MCS provides for a series of ‘what if’ analyses where the 20-year SGMA attainment period could occur for any historical 20-year period and thus examine the potential variability in the water balance as exhibited by the model.

Fifty-three 20-year periods (from 1945 to 2016) are used in the MCS, together with the parameters presented in the previous section. **Figure 10** shows the MCS simulations in terms of the average and percentiles. Shown are the 20th through 80th percentiles. Percentiles group the data in order- a 20th percentile means that 20% of the values fall below the 20th percentile and 80% are above the 20th percentile. Since the simulations are looking at different time periods the values translate to rate of occurrence. For example, values below the 20th percentile occur 20% of the time.²

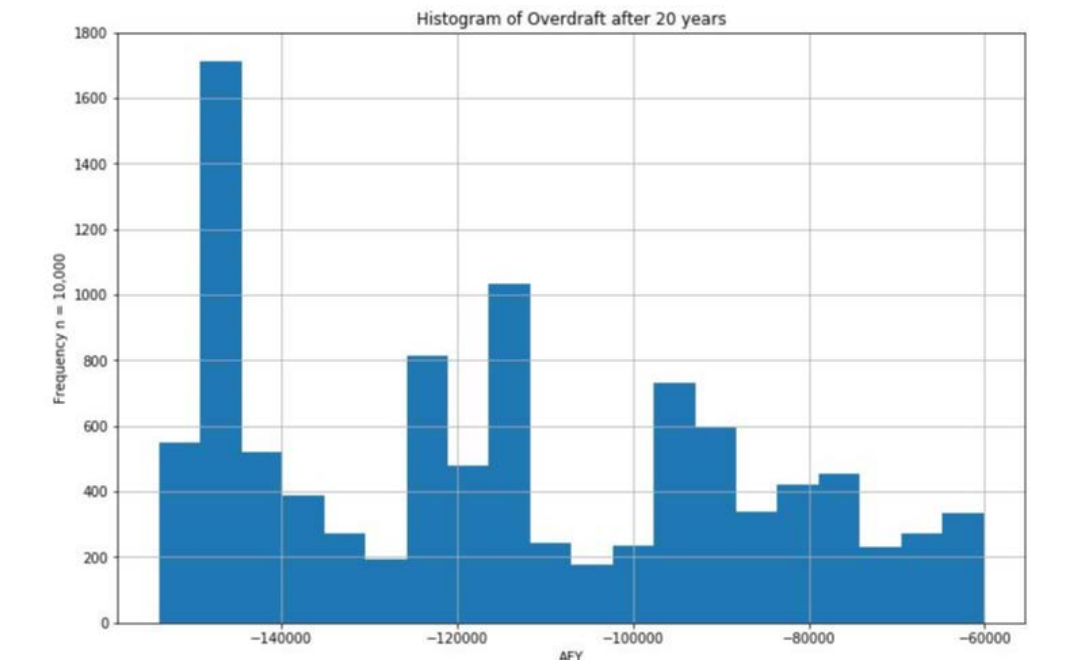
FIGURE 10



² Percentiles are used here to describe the results. Figure 11 shows that the results are not well described by simple statistics. For example, the average value is much different than the median since the values are ‘skewed’ towards lower recharge values.

The simulated overdraft at 20 years ranges between approximately 60,000 and 152,000 AF within the percentiles shown in **Figure 10**. The overdraft 'curve' that assumes a 5700 AFY average annual recharge is approximately equal to the 55th percentile- meaning sustainability occurs for 45% of the simulations. For reference calculations that use a constant annual recharge rate of 5700 AFY leads to an overdraft of 114,500 AF (approximately 115,000 AFY).

FIGURE 11



The recharge variability is quite significant compared to the baseline case where a constant annual recharge rate is assumed. As calculated the cumulative groundwater extraction and degree of overdraft after 20 years is 54,000 to 37,000 AF above or below the mean of 114,500 AF. **Figure 10** shows the range of values at the end of the 20-year MCS period.

In contrast to the results shown in **Figure 8** where recharge uncertainty is not assessed, the histogram is asymmetric and shows that high recharge periods occur much less frequently than low recharge periods. This can also be seen in **Figure 2** by the 'spikes' in the annual data corresponding to high recharge years.

In essence the use of random 20-year periods to develop the MCS is equivalent to saying that the 20-year GSP period could begin any time from 1945 to 1996. Recharge is highly variable over the model period. It is noteworthy that an extreme low recharge period (1955 to 1974) was immediately followed by an extreme high recharge period (1975 to 1994). The MCS allows for additional analysis of the recharge variability between these extremes over the model period (1945 to 2016).

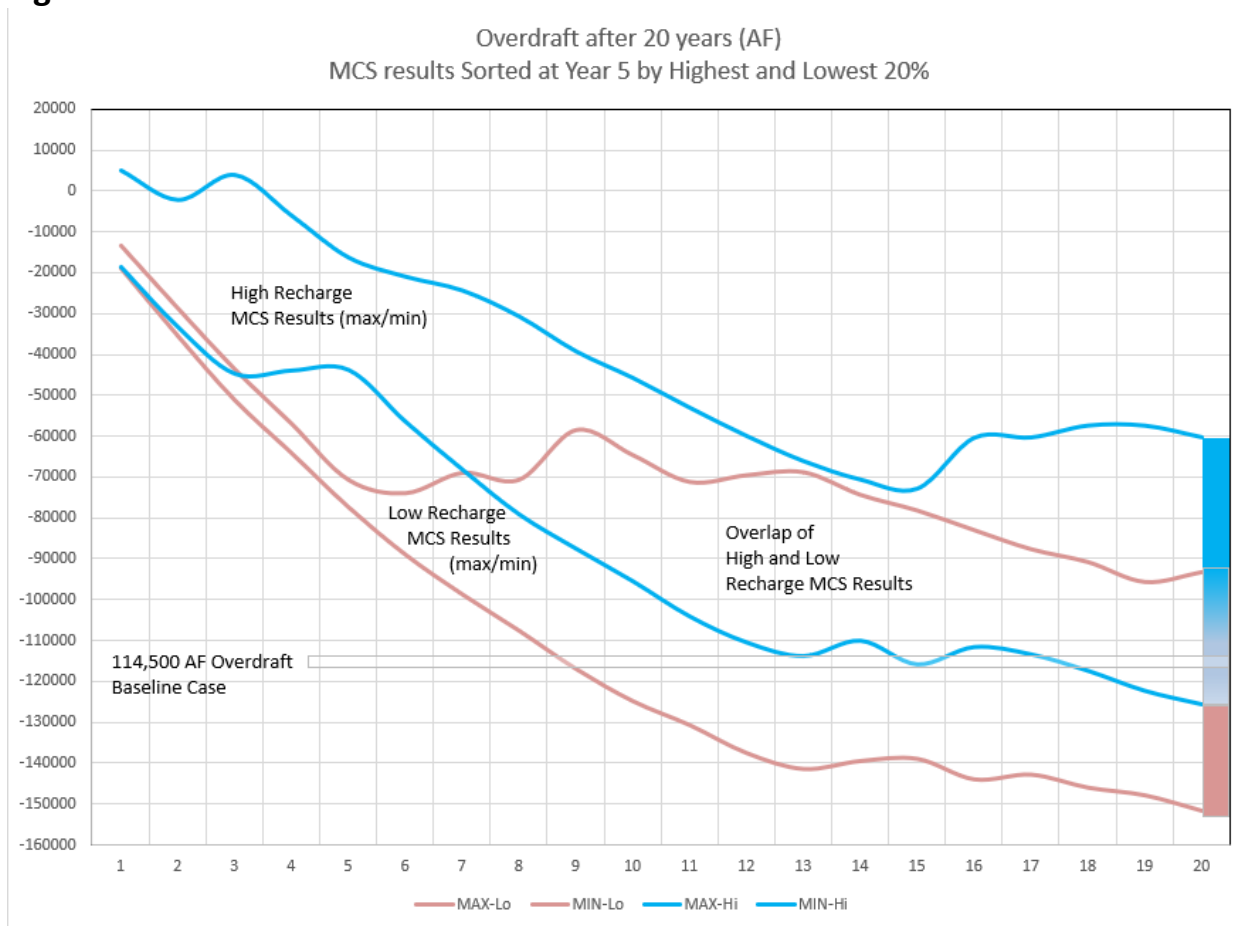
6.0 MCS-based Analysis: What happens after 5 years of low or high rainfall?

The MCS results can be used to examine ‘what if’ scenarios. In this case since the GSP is being proposed to be reviewed at 5-year intervals, the MCS is used to examine whether having 5 years of observations can allow for a prediction of the next 15 years. In other words, if there is an initial 5-year ‘wet’ or ‘dry’ period do the MCS results support revision to the target pumping rate? A 5-year period was used to correspond with the GSP review period.

For this example, the MCS results shown in Figure 9 were sorted in terms of ‘wet’ and ‘dry’ periods where the cumulative overdraft values after 5 years were sorted from high to low. The upper and lower 20% portions of the values were then separated for analysis.

The cumulative overdraft for the two sets of recharge values that correspond to initially ‘wet’ or ‘dry’ periods. Here the maximum and minimum values are used to show the range of values for the two cases in **Figure 12**. For reference the baseline sustainable pumping case results in an overdraft of approximately 115,000 AF after 20 years.

Figure 12



The values were sorted into two sets corresponding to the highest and lowest 20% of recharge after five years. Shown in the Figure are the full ranges of the two data sets described here as 'wet' and 'dry'. Review of the MCS results shows that

- The 5700 AF target pumping rate will have a high likelihood of achieving sustainability after an initial 'wet' 5-year period. The lowest recharge rate after 20 years for this data set leads to an overdraft of approximately 126,000 AF (9% more than the baseline case).
- If 'dry' conditions occur over the initial 5-year period overdraft will not exceed the sustainability threshold approximately 40% of the time. However, an initial 'dry' period does not preclude the Borrego Basin from being sustainable after 20 years as 40% of the time there is sufficient recharge to meet the sustainability threshold.
- The MCS indicate that overdraft could range from approximately 60,000 AF to 152,000 AF due to the high level of variability in recharge rates over the 1945 to 2016 model period. This wide range creates a high level of uncertainty as indicated by the overlap between the two sets of data.
- Having 5 years of observations that demonstrate that 'dry' conditions occur does not substantially improve the MCS outcome of potential overdraft after 20 years. Here the range of outcomes after 5 'dry' years is very wide and in years 12 to 14 can result in high recharge rates that are similar to the 'wet' data set. Comparison of the MCS results for all of the data shown in **Figure 9** shows that the threshold is met approximately 45% of the time versus 40% of the time after 5 years of 'dry' conditions.

7.0 Summary

The 5700 AFY pumping target has been evaluated based on water balance calculations for the Borrego Basin.

- Ongoing overdraft can be substantially controlled using the 5700 AFY pumping target. The water balance calculations include groundwater recharge, groundwater discharge, pumping, irrigation return flows, and evapotranspiration-related water demand from native vegetation (groundwater dependent ecosystems). An additional 115,000 AF of overdraft occurs over a 20-yr period as calculated in this Draft Report. For comparison the amount of overdraft was 520,000 AF as of 2016 (as reported in Chapters 2 and 3 of the Draft GSP).
- Projected overdraft over a 20-year period is greatly affected by variability in recharge rates. Instead of assuming an average annual recharge rate of 5700 AFY, the recharge rates are based on the results of the USGS Groundwater model for the period of 1945 to 2016. The long-term groundwater supply highly depends on ‘wet’ years with high recharge rates; however, these occur on a decadal scale and may not coincide with the 20-year GSP planning period.

A clear example of the variability inherent in the recharge values is that the 20-year period from 1955 to 1974 was one of the ‘driest’ and it immediately preceded one of the ‘wettest’ periods from 1975 to 1994. The average annual recharge rates for these two periods of ‘dry’ and ‘wet’ precipitation were 3,975 and 11,907 AFY, respectively.

- Accelerated reduction periods, for example 10 to 15 years versus 20 years, can provide significant and proportional decreases in total overdraft (storage loss) and related water level decline. Because overdraft occurs cumulatively over the reduction period, the relative uncertainty associated with the overdraft also increases with time. Thus, uncertainty is reduced with shorter reduction periods and a longer time is also available to confirm that sustainability has been achieved within the 20-year GSP planning period.
- Uncertainty associated with the overdraft calculations is dominated by the historical variability of recharge rates. The other water balance components such as groundwater demand of native vegetation and irrigation return flows are of lesser importance. Additional uncertainty is associated with the time required for irrigation return flows to travel from the land surface to the underlying aquifer, the amount of return flows to application rates that may actually ever reach the water table, and the potential contaminants in such return flows.
- Overdraft, expressed as the total volume of water that is extracted from the aquifer, can be generally related to water levels when drawdown occurs within the upper and middle aquifers given the S_y and K values used in the USGS model. Here the USGS model predictions for water level decline (USGS Scenario 6) are reviewed for comparison to the calculated overdraft. Note that the USGS’ scenario does not attain sustainable groundwater conditions and is not acceptable under SGMA.

With decreasing water levels water supply wells will necessarily be pumping relatively more water from the middle and lower aquifers. Because aquifer storage and permeability decreases with depth well yields are expected to decrease. Water level drawdown at the wells will also increase in order to extract similar amounts of water compared to wells screened in the upper aquifer.

- Statistically-based ‘what if’ Monte Carlo Simulations were used to look at what may be observed after 5 years of pumping reductions following ‘wet’ or ‘dry’ periods. A 5-year period was used that corresponds to the proposed GSP review cycle. Having 5 years of additional observations that demonstrate that ‘dry’ conditions occur does not substantially improve the projection of potential overdraft after 20 years. The percentage of the time that the simulations showed that percentage of time that sustainability was achieved decreased from 45% (for all of the data) to 40% after a 5-year ‘dry’ period, if this period was used to ‘adjust’ the target sustainable yield amount.

The draft report is limited to assessment of the volume of water associated with ongoing overdraft and pumping reduction necessary to balance groundwater use with groundwater replenishment by recharge. While the calculations presented in this report can provide insights towards quantification of overdraft and related changes in water levels calculations, it cannot replace ongoing observations and continued efforts to reduce groundwater pumping. Considerations going forward include:

- Are there changes in Water Quality related to overdraft that would necessitate additional pumping restrictions? The Borrego Basin is a relatively ‘closed’ groundwater system where minerals and contaminants will accumulate as water is used. The water balance analyses do not consider or account for changes in water quality related to natural or anthropogenic sources.
- The USGS model includes three layers for the upper, middle, and lower aquifers. Model-based projections of water level decline do not account for depth-dependent variations that may occur in the aquifer systems. It also assumes that unconfined conditions occur- should locally confined aquifer conditions occur more rapid drawdown is expected to occur in production wells than would be projected by the model.
- How to incorporate the effect of decadal recharge events given the 20-year SGMA planning period? Recharge variability occurs at a time scale greater than 20 years. A clear example is the two consecutive ‘dry’ and ‘wet’ periods- 1955 to 1974, and 1975 to 1994 as noted in the summary.
- How much of a ‘miss’ can be allowed during and after the 20-yr GSP planning and management period? Based on the MCS calculations (**Figure 10**) if overdraft is allowed to exceed by 20% (20% above the 114,500 AF mark or 137,400 AF) the MCS calculations support that the target pumping rate will succeed approximately 70 percent of the time.
- The MCS is based on recharge values from the model for the historical period of 1945 to 2016. The analysis assumes that the time series can be projected into the future and that the statistics (such as the mean and variance) don’t change and can also be projected forward in time and are described as ‘stationary’. The reasonability of this assumption must be considered by BWD

when managing financial risk. One factor to consider is the potential for future recharge rates to decrease due to climate change. It is understood that the GSP will incorporate climate change projections when using the groundwater model to examine future overdraft conditions (CA DWR, April 2018. Guidance for Climate Change Data Use During Groundwater Sustainability Plan Development).

The uncertainty associated with the magnitude of Irrigation return flows and time required for water to transit the vadose zone affects the water balance. While recharge variability is the dominant factor specific to the water balance, and inflow from adjacent watersheds provides the bulk of the water being recharged, irrigation return flows are a significant component of the current water balance during 'dry years'. This has the greatest impact early in the GSP process as the relative contribution of irrigation flows will decrease over time as pumping will be required to be reduced on the order of 70% to achieve sustainability.

- Should a factor of safety be applied to the target pumping rate or can revisions to the pumping rate be adaptively managed during a 20-year GSP period? Or should both be considered together? Or should a more aggressive reduction schedule be used to reduce the attainment period?
- Of concern is the relatively low resilience of BWD and its SDAC customer base to recover from miscalculations of initial GSP policy decisions. BWD is a relatively small municipal water district with limited borrowing capacity and small amount of cash reserves. Failure to include an adequate factor of safety into starting GSP policies could potentially place undue financial risk on the BWD and unrecoverable economic risk on its SDAC customer base. Based on the present analysis, an assumption that adaptive management by making policy changes every 5-year period, does not assure a means to recover from mistakes in initial GSP policy decisions based on 'better' future data.

Recommendations

- Additional analysis is needed as to the potential financial risk for the BWD and economic risk to the Borrego community from policy and starting assumptions in the GSP. Among the considerations include the impact of potential water quality changes and overdraft impacts on BWD production wells, potentially unexpected cost impacts to BWD, and the potential impact of costs and water reductions to the severely disadvantaged Borrego Springs community.
- Additional analysis and contingency planning is needed to determine how adaptive management will be used during implementation of the GSP to correct or modify initial policy assumptions, should the ongoing decrease in water levels exceed expectations either due to exceptionally low rainfall or other unexpected conditions. Among the factors necessary to implement effective adaptive management practices include sustainability agency governance, and enforcement, identification of potential funding methods, ongoing evaluation of pumping and water quality data, and ongoing review of monitoring and water quality standards.

Groundwater



ENSI TAKEAWAYS

BRECHT - DRAFT 1.1

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- a sustainable yield of 5,700 AF, currently proposed as the target pumping rate in the GSP, does not account for groundwater use by Groundwater Dependent Ecosystems – a use that is effectively the same as pumping

-
- the drivers of uncertainty in the use of the USGS model are: variability of natural recharge (primary), and measurement of annual withdrawals (secondary). Return flows for agricultural and golf course irrigation have much less impact over time when irrigation rates are reduced to attain sustainability. Municipal landscape irrigation and septic tank return flows are not material to the water balance over the 66-year calibrating period

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- the model assumes irrigation return flows of 10% of annual withdrawals under current conditions. For valid technical reasons, this assumption of a 10% return flow is just as likely as not to be too large as too low (50/50 probability). An argument that ag return flows must be much higher is not technically defensible

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- thus, spending more money on a numerical basin dynamics model to reduce its uncertainty or believing the model will become more precise over a short period (e.g. 5-years) with slightly more recharge data, is extremely unlikely (< 5% probability)

-
- over the 66-year calibration period, variability and periodicity of ‘wet periods’ occurred on a decadal time frame. Statistically these ‘wet periods’ that produce most of the recharge have a high degree of variability, are poorly represented by averages, and have trends that are likely to vary over time (not be stationary)
 - a 20 year planning period is used in the GSP. It is extremely unlikely that any of the 20 year model periods will be duplicative in future periods (<5% probability)
 - therefore, Monte Carlo Simulations (MCS) were used to assess this variability in future periods. The MCS is very likely (>90% probability) to provide a better idea of potential mass storage changes in the basin under different reduction scenarios than the use of a long-term average recharge rate

-
- total loss of mass storage (overdraft) is ~115,000 AF over 20-years if an average of 5,700 AFY of annual pumping is assumed under an MCS recharge method and the starting BPA is 22,044 AFY
 - by lowering the reduction period to 15 years, the overdraft declines to 86,000 AF under an MCS recharge method and the starting BPA is 22,044 AF
 - a shorter reduction period also provides for less uncertainty because overdraft and its associated uncertainty increase cumulatively over the reduction period

-
- due to differences in specific yield (S_y) of the three aquifers, water levels are likely decline faster as the water levels in the upper and middle aquifers are drawn down
 - i.e. S_y Upper Aquifer: 0.13 Middle Aquifer: 0.11 Lower Aquifer: 0.04
 - thus, it is virtually certain (>99% probability) that material water level changes also impact well productivity. Thus, changes in water levels over assumed reduction scenarios is important for managing District wells and avoiding expensive CIP costs

-
- monthly water quality testing for baseline water chemistry parameters from municipal wells (such as pH and electrical conductivity) has the potential to provide more timely information and can augment the semi-annual testing for Title 22 pollutants and use of Mann Kendall Trend Analysis metrics

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December 11, 2018

To: Borrego Water District Board of Directors
Geoff Poole, General Manager
From: Harry Ehrlich, ACWA/JPIA Representative
RE: ACWA/JPIA Annual Meeting on November 26-27, 2018

As the appointed Director Representative to the ACWA/JPIA, I attended the Fall Conference Meeting and training in San Diego on November 26-27, 2018. I was pleased with the quality of the programs, the organization of the meetings and many of the topics covered over the two days. I am attaching a couple of examples to show the program highlights and some important information on present and projected issues of insurance coverages and costs that will impact the BWD in the coming years. I am comfortable that ACW/JPIA is doing a good job planning for establishing its own insurance corporation and we need to be keeping our focus on them to plan for the Risk Management for the District.

The District has been recognized again for our experience factors of being in the lower than twenty percent (20%) or less Loss Ratio in all three of the insurance programs: Liability, Property and Workers' Compensation Programs. For this achievement the District is receiving the "President's Special Recognition Award" that will be mailed to the District soon. It should also result in a rebate of excess premium again in 2019.

Other important topics included: Cost Drivers for future costs for coverages including health and liability programs that continue to be impacts on risk and costs; progress on Goals & Objectives for the Executive Director and staff for 2017-18 years as well as updated ones for 2018-19; receipt of the Certificate of Achievement for Excellence in Financial Reporting by GFOA for the fiscal year

ending September 30, 2017; and discussion of possible program savings efforts for the upcoming 1-5 years. The ACWA/JPIA Board to action to authorize the Executive Director and Executive Committee to take steps to form the Captive Insurance Company, to be wholly owned and directed by the members of the JPIA. It will be JPA formed in the State of Utah as a corporation.

I also attended the AB1825, 1661 & AB2053 training for Sexual Harassment Prevention for Board Members & Managers that is required of all Board Members and key staff each two years. It was a well presented workshop by the ACWA/JPIA Legal Counsel Robert Greenfield. There were also two sessions structured as “Moving From Group to Team: Creating a Cohesive Board”, presented by Mr. Freeman Michaels, MA of Group to Team; and another “Staying Out of Hot Water: Understanding Your Role as a Board Member.” Both sessions presented the best practices of governance plus real life examples of what Board members roles should be and what can happen when actions take place dealing with sensitive policy and operating issues within a public agency.

I appreciate the Board of Directors appointing me to be the District representative and will continue to monitor JPIA efforts and needs as they take place.

If you have any questions I will be glad to expand on them at the Board Meeting or as needed.

Respectfully submitted by:



Harry Ehrlich, SDA

Board Member

Enclosures

V.A

FINANCIALS

September 2018

October 2018



	C	AB	AC	AD	AE
1	BWD	6/19/2018			
2	BUDGET CASH FLOW	ADOPTED	Actual	Projected	Actual
3	2018-2019	BUDGET	September	September	YTD
4		2018-2019	2018	2018	2018-2019
5					
6	REVENUE				
7	WATER REVENUE				
8	Residential Water Sales	950,994	95,121	96,426	281,761
9	Commercial Water Sales	417,885	42,185	33,282	125,793
10	Irrigation Water Sales	237,061	23,508	25,976	73,573
11	GWM Surcharge	181,749	17,904	17,183	53,388
12	Water Sales Power Portion	514,708	49,173	47,497	146,900
13	TOTAL WATER COMMODITY REVENUE:	2,302,395	227,890	220,364	681,416
14					
15	Readiness Water Charge	1,154,976	96,305	96,248	288,584
18	Meter Install/Reconnect Fees	20,680	350	10,000	350
19	Backflow Testing/Installation	5,100	50	-	50
20	Bulk Water Sales	1,200	1,814	100	6,427
21	Penalty & Interest Water Collection	40,000	7,143	4,000	16,663
22	TOTAL WATER REVENUE:	3,524,351	333,551	330,712	994,209
23					
24	PROPERTY ASSESSMENTS/AVAILABILITY CHARGES				
25	641500 1% Property Assessments	62,300	362	362	1,291
26	641502 Property Assess wtr/swr/fld	106,212	191	191	191
28	641501 Water avail Standby	82,376	295	295	498
30	641504 ID 3 Water Standby (La Casa)	33,647	43	43	43
31	641503 Pest standby	17,870	42	42	64
32	TOTAL PROPERTY ASSES/AVAIL CHARGES:	302,404	933	933	2,087
33					
34	SEWER SERVICE CHARGES				
35	Town Center Sewer Holder fees	234,593	19,549	19,549	57,326
36	Town Center Sewer User Fees	88,695	7,392	7,391	21,890
37	Sewer user Fees	278,304	23,218	23,192	69,654
39	Penalty Interest-Sewer	1,248	3,278	104	7,769
41	TOTAL SEWER SERVICE CHARGES:	602,840	53,437	50,236	155,909
42					
43	OTHER INCOME				
48	Water Credits income	22,000	0	11,000	-
49	WTF Solar Rebate	50,000		35,441	-
50	R/H Surplus Water Revenue	200,000			-
51	Interest Income	8,000	4,536	2,000	12,195
52	TOTAL OTHER INCOME:	278,000	4,536	48,441	12,195
53					
54	TOTAL INCOME:	4,707,595	392,457	430,321	1,164,399
55					
56	CASH BASIS ADJUSTMENTS				
57	Decrease (Increase) in Accounts Receivable		(471)		(71,084)
58	Deposits		5,000		5,000
59	Other Cash Basis Adjustments				-
60	TOTAL CASH BASIS ADJUSTMENTS:		4,529		(66,084)
61					
62	TOTAL OPERATING INCOME RECEIVED:	4,707,595	396,986	430,321	1,098,315
63					
64	GRANT & DEBT PROCEEDS				
65	Prop 1 GSP Grant	500,000			-
66	Pacific Western Bank 2018 IPA	5,500,000			5,654,707
67	TOTAL GRANT & DEBT PROCEEDS:	6,000,000	0	-	5,654,707
68					
69	TOTAL INCOME, GRANT & DEBT PROCEEDS:	10,707,595	396,986	430,321	6,753,022
70					

	C	AG	AH	AI	AJ	AK
1	BWD					
2	BUDGET CASH FLOW	Projected	Projected	Projected	Projected	Projected
3	2018-2019		October	November	December	January
4		2018-2019	2018	2018	2018	2019
5						
6	REVENUE					
7	WATER REVENUE					
8	Residential Water Sales	650,005	81,463	82,693	68,756	66,088
9	Commercial Water Sales	300,062	41,505	42,757	30,278	36,898
10	Irrigation Water Sales	160,948	28,770	19,873	14,674	19,746
11	GWM Surcharge	127,469	16,667	16,092	12,532	13,121
12	Water Sales Power Portion	363,622	46,029	44,450	34,619	36,220
13	TOTAL WATER COMMODITY REVENUE:	1,602,107	214,433	205,864	160,860	172,073
14						
15	Readiness Water Charge	866,232	96,248	96,248	96,248	96,248
18	Meter Install/Reconnect Fees	10,680		340		
19	Backflow Testing/Installation	5,100	0	0	0	0
20	Bulk Water Sales	900	100	100	100	100
21	Penalty & Interest Water Collection	28,000	4,000	0	0	4,000
22	TOTAL WATER REVENUE:	2,513,019	314,781	302,552	257,208	272,421
23						
24	PROPERTY ASSESSMENTS/AVAILABILITY CHARGES					
25	641500 1% Property Assessments	60,708	836	3,114	20,365	9,633
26	641502 Property Assess wtr/swr/lfd	106,063	0	3,064	44,237	10,451
28	641501 Water avail Standby	77,758	377	7,507	18,082	29,301
30	641504 ID 3 Water Standby (La Casa)	33,169	267	1,491	3,007	14,101
31	641503 Pest standby	17,327	59	611	5,063	4,070
32	TOTAL PROPERTY ASSES/AVAIL CHARGES:	295,025	1,539	15,788	90,754	67,556
33						
34	SEWER SERVICE CHARGES					
35	Town Center Sewer Holder fees	175,945	19,549	19,549	19,549	19,549
36	Town Center Sewer User Fees	66,522	7,391	7,391	7,391	7,391
37	Sewer user Fees	208,728	23,192	23,192	23,192	23,192
39	Penalty Interest-Sewer	936	104	104	104	104
41	TOTAL SEWER SERVICE CHARGES:	452,131	50,236	50,236	50,236	50,236
42						
43	OTHER INCOME					
48	Water Credits income	11,000	0	0	0	0
49	WTF Solar Rebate	0				
50	R/H Surplus Water Revenue	200,000			200,000	
51	Interest Income	18,000	2,000	2,000	2,000	2,000
52	TOTAL OTHER INCOME:	229,000	2,000	2,000	202,000	2,000
53						
54	TOTAL INCOME:	3,489,175	368,556	370,576	600,199	392,213
55						
56	CASH BASIS ADJUSTMENTS					
57	Decrease (Increase) in Accounts Receivable					
58	Deposits					
59	Other Cash Basis Adjustments					
60	TOTAL CASH BASIS ADJUSTMENTS:					
61						
62	TOTAL OPERATING INCOME RECEIVED:	3,489,175	368,556	370,576	600,199	392,213
63						
64	GRANT & DEBT PROCEEDS					
65	Prop 1 GSP Grant	0				
66	Pacific Western Bank 2018 IPA	0				
67	TOTAL GRANT & DEBT PROCEEDS:	0	0	0	0	0
68						
69	TOTAL INCOME, GRANT & DEBT PROCEEDS:	3,489,175	368,556	370,576	600,199	392,213
70						

	C	AL	AM	AN	AO	AP
1	BWD					
2	BUDGET CASH FLOW	Projected	Projected	Projected	Projected	Projected
3	2018-2019	February	March	April	May	June
4		2019	2019	2019	2019	2019
5						
6	REVENUE					
7	WATER REVENUE					
8	Residential Water Sales	66,152	57,509	70,304	75,920	81,120
9	Commercial Water Sales	30,234	31,031	26,000	30,160	31,200
10	Irrigation Water Sales	15,000	12,450	13,520	16,640	20,276
11	GWM Surcharge	12,068	11,075	15,293	15,310	15,310
12	Water Sales Power Portion	33,310	30,560	47,230	44,632	46,572
13	TOTAL WATER COMMODITY REVENUE:	156,763	142,625	172,347	182,662	194,477
14						
15	Readiness Water Charge	96,248	96,248	96,248	96,248	96,248
18	Meter Install/Reconnect Fees	10,000		340		
19	Backflow Testing/Installation	0	0	0	0	5,100
20	Bulk Water Sales	100	100	100	100	100
21	Penalty & Interest Water Collection	4,000	4,000	4,000	4,000	4,000
22	TOTAL WATER REVENUE:	267,111	242,973	273,035	283,010	299,925
23						
24	PROPERTY ASSESSMENTS/AVAILABILITY CHARGES					
25	641500 1% Property Assessments	5,635	2,102	12,153	6,671	200
28	641502 Property Assess wtr/swrr/fld	0	693	1,056	46,262	300
28	641501 Water avail Standby	0	3,015	3,732	13,745	2,000
30	641504 ID 3 Water Standby (La Casa)	0	889	396	12,527	490
31	641503 Pest standby	0	416	651	5,936	523
32	TOTAL PROPERTY ASSES/AVAIL CHARGES:	5,635	7,114	17,987	85,140	3,513
33						
34	SEWER SERVICE CHARGES					
35	Town Center Sewer Holder fees	19,549	19,549	19,549	19,549	19,553
36	Town Center Sewer User Fees	7,391	7,391	7,391	7,391	7,394
37	Sewer user Fees	23,192	23,192	23,192	23,192	23,192
39	Penalty Interest-Sewer	104	104	104	104	104
41	TOTAL SEWER SERVICE CHARGES:	50,236	50,236	50,236	50,236	50,243
42						
43	OTHER INCOME					
48	Water Credits income	11,000	0	0	0	0
49	WTF Solar Rebate					
50	R/H Surplus Water Revenue					
51	Interest Income	2,000	2,000	2,000	2,000	2,000
52	TOTAL OTHER INCOME:	13,000	2,000	2,000	2,000	2,000
53						
54	TOTAL INCOME:	335,982	302,324	343,258	420,386	355,681
55						
56	CASH BASIS ADJUSTMENTS					
57	Decrease (Increase) in Accounts Receivable					
58	Deposits					
59	Other Cash Basis Adjustments					
60	TOTAL CASH BASIS ADJUSTMENTS:					
61						
62	TOTAL OPERATING INCOME RECEIVED:	335,982	302,324	343,258	420,386	355,681
63						
64	GRANT & DEBT PROCEEDS					
65	Prop 1 GSP Grant					
66	Pacific Western Bank 2018 IPA					
67	TOTAL GRANT & DEBT PROCEEDS:	0	0	0	0	0
68						
69	TOTAL INCOME, GRANT & DEBT PROCEEDS:	335,982	302,324	343,258	420,386	355,681
70						

	C	AB	AC	AD	AE
1	BWD	6/19/2018			
2	BUDGET CASH FLOW	ADOPTED	Actual	Projected	Actual
3	2018-2019	BUDGET	September	September	YTD
4		2018-2019	2018	2018	2018-2019
71	EXPENSES				
72					
73	MAINTENANCE EXPENSE				
74	R & M Buildings & Equipment	180,000	14,365	15,000	31,546
75	R & M - WWTP	180,000	11,984	15,000	35,740
76	Telemetry	10,000	0	-	1,672
77	Trash Removal	4,200	418	350	1,691
78	Vehicle Expense	18,000	2,435	1,500	6,978
79	Fuel & Oil	<u>30,000</u>	<u>1,521</u>	<u>2,500</u>	<u>4,896</u>
80	TOTAL MAINTENANCE EXPENSE:	422,200	30,723	34,350	82,523
81					
82	PROFESSIONAL SERVICES EXPENSE				
83	Tax Accounting (Tausig)	3,000	0	-	2,251
84	Administrative Services (ADP)	3,000	323	240	753
85	Audit Fees (Squarmliner)	16,995	0	-	11,329
86	Computer billing (Accela/Parker)	25,000	0	1,000	6,743
87	Financial/Technical Consulting (Rafellis) (Fieldman) (Holt Group)	80,000	0	6,500	147,234
88	Engineering (Dynamic/Dudek)	60,000	0	5,000	-
89	District Legal Services (Downey Brand/BBK)	100,000	3,652	8,500	5,210
90	Testing/lab work (Babcock Lab)	12,000	1,170	1,000	3,855
91	Regulatory Permit Fees (SWRB/DEH/Dig alerts/APCD)	25,000	0	637	3,485
92	Management Consulting (CIP)	<u>50,000</u>		<u>4,100</u>	
93	TOTAL PROFESSIONAL SERVICES EXPENSE:	374,994	5,146	26,977	180,861
94					
95	INSURANCE EXPENSE				
96	ACWA/JPIA Program Insurance	57,000	23,857	24,000	23,857
97	ACWA/JPIA Workers Comp	<u>17,600</u>	<u>0</u>	<u>4,400</u>	<u>-</u>
98	TOTAL INSURANCE EXPENSE:	74,600	23,857	28,400	23,857
99					
100	DEBT EXPENSE				
101	Compass Bank Note 2018A	254,500	215,291	209,050	215,291
102	Compass Bank Note 2018B	143,000	125,076	-	125,076
103	Pacific Western Bank 2018 IPA	<u>500,000</u>	<u>400,268</u>		<u>400,268</u>
104	TOTAL DEBT EXPENSE:	897,500	740,635	209,050	740,635
105					
106	PERSONNEL EXPENSE				
107	Board Meeting Expense (board stipend/board secretary)	25,000	1,085	1,970	2,110
108	Salaries & Wages (gross)	890,000	72,058	70,297	216,664
109	Salaries & Wages offset account (board stipends/staff project salaries)	-60,000	(5,705)	(5,000)	(19,047)
110	Consulting services/Contract Labor	15,000	0	1,250	-
111	Taxes on Payroll	22,300	557	1,115	2,680
112	Medical Insurance Benefits	229,000	18,494	18,570	75,416
113	Calpers Retirement Benefits	170,170	8,126	7,100	111,202
114	Conference/Conventions/Training/Seminars	17,000	1,568	5,200	1,568
115	TOTAL PERSONNEL EXPENSE:	1,308,470	96,182	100,502	390,592
116					
117	OFFICE EXPENSE				
118	Office Supplies	20,000	4,452	1,578	6,373
119	Office Equipment/ Rental/Maintenance Agreements	35,000	4,775	5,782	10,165
120	Postage & Freight	15,000	406	-	2,068
121	Taxes on Property	2,334	0	-	-
122	Telephone/Answering Service/Cell	24,000	1,532	2,000	4,552
123	Dues & Subscriptions (ACWA/CSDA)	21,000	857	363	933
124	Printing Publications & Notices	2,500	0	111	1,050
125	Uniforms	6,500	456	540	1,469
126	OSHA Requirements/Emergency preparedness	<u>4,000</u>	<u>0</u>	<u>1,103</u>	<u>145</u>
127	TOTAL OFFICE EXPENSE:	130,335	12,477	11,478	26,755
128					
129	UTILITIES EXPENSE				
130	Pumping-Electricity	308,000	30,724	33,272	89,450
131	Office/Shop Utilities	1,200	745	100	2,243
133	TOTAL UTILITIES EXPENSE:	309,200	31,469	33,372	91,692
134					
135	GROUNDWATER MANAGEMENT EXPENSE				
136	SGMA GSP Costs	308,000	29,226	25,500	68,274
137	Prop 1 Grant Expense	<u>60,000</u>	<u>53,089</u>	<u>5,000</u>	<u>119,696</u>
139	TOTAL GWM EXPENSE:	368,000	82,315	30,500	187,971
140					
141	TOTAL EXPENSES:	3,885,299	1,022,804	474,628	1,724,886
142	CASH BASIS ADJUSTMENTS				
143	Decrease (Increase) in Accounts Payable		(881,556)		(704,768)
144	Increase (Decrease) in Inventory		(1,780)		9,404
145	Other Cash Basis Adjustments- CSD refunds		<u>16,589</u>		<u>56,652</u>
146	TOTAL CASH BASIS ADJUSTMENTS:		(866,748)		(638,711)
147					
148	TOTAL OPERATING EXPENSES PAID:	3,885,299	156,056	474,628	1,086,174
149					
150	UNEXPENDED DEBT PROCEEDS:	4,698,000	5,520,971	5,508,713	5,520,971
151					
152	TOTAL EXPENSES AND UNEXPENDED DEBT PROCEEDS:	8,583,489	5,677,027	5,983,342	6,607,145
153					
154	NET OPERATING INCOME:	822,296	240,930	(44,307)	12,141

	C	AG	AH	AI	AJ	AK
1	BWD					
2	BUDGET CASH FLOW					
3	2018-2019					
4		Projected	Projected	Projected	Projected	Projected
71	EXPENSES					
72						
73	MAINTENANCE EXPENSE					
74	R & M Buildings & Equipment	135,000	15,000	15,000	15,000	15,000
75	R & M - WWTP	135,000	15,000	15,000	15,000	15,000
76	Telemetry	8,000	0	0	4,000	
77	Trash Removal	3,150	350	350	350	350
78	Vehicle Expense	11,000	1,000	1,500	1,000	1,500
79	Fuel & Oil	25,000	3,000	2,500	3,000	2,500
80	TOTAL MAINTENANCE EXPENSE:	317,150	34,350	34,350	38,350	34,350
81						
82	PROFESSIONAL SERVICES EXPENSE					
83	Tax Accounting (Tausig)	749	0	0	0	0
84	Administrative Services (ADP)	2,250	240	240	240	330
85	Audit Fees (Squarmilner)	5,665	0	5,665	0	0
86	Computer billing (Accela/Parker)	18,105	0	2,500	0	3,000
87	Financial/Technical Consulting (Rafelis) (Fieldman) (Holt Group)	4,500	500	500	500	500
88	Engineering (Dynamic/Dudek)	52,000	5,000	5,000	6,000	6,000
89	District Legal Services (Downey Brand/BBK)	90,000	10,000	10,000	10,000	10,000
90	Testing/lab work (Babcock Lab)	8,600	800	1,000	1,000	1,000
91	Regulatory Permit Fees (SWRB/DEH/Dig alerts/APCD)	19,241	3	80	80	12,081
92	Management Consulting (CIP)	50,000	-	6,250	6,250	6,250
93	TOTAL PROFESSIONAL SERVICES EXPENSE:	251,110	16,543	31,235	24,070	39,161
94						
95	INSURANCE EXPENSE					
96	ACWA/JPIA Program Insurance	33,000	0	0	0	0
97	ACWA/JPIA Workers Comp	17,400	4,200	0	4,400	
98	TOTAL INSURANCE EXPENSE:	50,400	4,200	-	4,400	-
99						
100	DEBT EXPENSE					
101	Compass Bank Note 2018A	35,108	0	0	0	0
102	Compass Bank Note 2018B	15,679	0	0	0	0
103	Pacific Western Bank 2018 IPA	100,119	-	-	-	-
104	TOTAL DEBT EXPENSE:	150,906	-	-	-	-
105						
106	PERSONNEL EXPENSE					
107	Board Meeting Expense (board stipend/board secretary)	21,060	1,970	1,970	1,970	1,970
108	Salaries & Wages (gross)	669,870	75,890	79,527	72,162	75,890
109	Salaries & Wages offset account (board stipends/staff project salaries)	(45,000)	(5,000)	(5,000)	(5,000)	(5,000)
110	Consulting services/Contract Labor	11,250	1,250	1,250	1,250	1,250
111	Taxes on Payroll	18,286	892	1,338	669	5,352
112	Medical Insurance Benefits	154,710	18,570	18,570	18,570	19,500
113	Calpers Retirement Benefits	65,300	7,100	7,100	7,100	7,200
114	Conference/Conventions/Training/Seminars	5,128	519	488	0	1,783
115	TOTAL PERSONNEL EXPENSE:	900,605	101,192	105,243	96,721	107,945
116						
117	OFFICE EXPENSE					
118	Office Supplies	14,221	1,367	2,409	2,009	2,917
119	Office Equipment/ Rental/Maintenance Agreements	22,772	4,538	5,543	578	3,122
120	Postage & Freight	12,950	2,050	40	2,060	0
121	Taxes on Property	2,334	2,334	0	0	0
122	Telephone/Answering Service/Cell	18,000	2,000	2,000	2,000	2,000
123	Dues & Subscriptions (ACWA/CSDA)	19,166	0	293	16,218	350
124	Printing, Publications & Notices	1,998	100	167	0	111
125	Uniforms	4,880	540	540	540	540
126	OSHA Requirements/Emergency preparedness	2,119	500	265	0	96
127	TOTAL OFFICE EXPENSE:	98,439	13,429	11,258	23,405	9,136
128						
129	UTILITIES EXPENSE					
130	Pumping-Electricity	213,355	29,349	25,526	23,511	22,243
131	Office/Shop Utilities	900	100	100	100	100
133	TOTAL UTILITIES EXPENSE:	216,447	29,449	25,626	23,611	22,343
134						
135	GROUNDWATER MANAGEMENT EXPENSE					
136	SGMA GSP Costs	231,500	25,500	25,500	25,500	25,500
137	Prop 1 Grant Expense	45,000	5,000	5,000	5,000	5,000
139	TOTAL GWM EXPENSE:	269,145	30,500	30,500	30,500	30,500
140						
141	TOTAL EXPENSES:	2,254,204	229,662	238,212	241,057	243,435
142	CASH BASIS ADJUSTMENTS					
143	Decrease (Increase) in Accounts Payable					
144	Increase (Decrease) in Inventory					
145	Other Cash Basis Adjustments-CSD refunds					
146	TOTAL CASH BASIS ADJUSTMENTS:					
147						
148	TOTAL OPERATING EXPENSES PAID:	2,254,204	229,662	238,212	241,057	243,435
149						
150	UNEXPENDED DEBT PROCEEDS:	5,520,971	5,520,971	5,520,971	5,520,971	5,520,971
151						
152	TOTAL EXPENSES AND UNEXPENDED DEBT PROCEEDS:	7,775,175	5,750,633	5,759,182	5,762,027	5,764,406
153						
154	NET OPERATING INCOME:	1,234,970	138,894	132,364	359,142	148,778

	C	AL	AM	AN	AO	AP
1	BWD					
2	BUDGET CASH FLOW	Projected	Projected	Projected	Projected	Projected
3	2018-2019	February	March	April	May	June
4		2019	2019	2019	2019	2019
71	EXPENSES					
72						
73	MAINTENANCE EXPENSE					
74	R & M Buildings & Equipment	15,000	15,000	15,000	15,000	15,000
75	R & M - WWTP	15,000	15,000	15,000	15,000	15,000
76	Telemetry	0	2,000	0	2,000	0
77	Trash Removal	350	350	350	350	350
78	Vehicle Expense	1,500	1,000	1,500	1,000	1,000
79	Fuel & Oil	3,000	2,500	3,000	2,500	3,000
80	TOTAL MAINTENANCE EXPENSE:	34,850	35,850	34,850	35,850	34,350
81						
82	PROFESSIONAL SERVICES EXPENSE					
83	Tax Accounting (Taussig)	662	0	0	0	87
84	Administrative Services (ADP)	240	240	240	240	240
85	Audit Fees (Squamliner)	0	0	0	0	0
86	Computer billing (Accela/Parker)	4,400	5,000	205	3,000	0
87	Financial/Technical Consulting (Raftelis) (Fieldman) (Holt Group)	500	500	500	500	500
88	Engineering (Dynamic/Dudek)	6,000	6,000	6,000	6,000	6,000
89	District Legal Services (Downey Brand/BBK)	10,000	10,000	10,000	10,000	10,000
90	Testing/lab work (Babcock Lab)	800	1,000	1,000	1,000	1,000
91	Regulatory Permit Fees (SWRB/DEH/Dig alerts/APCD)	197	5,000	500	800	500
92	Management Consulting (CIP)	6,250	6,250	6,250	6,250	6,250
93	TOTAL PROFESSIONAL SERVICES EXPENSE:	29,049	33,990	24,695	27,790	24,577
94						
95	INSURANCE EXPENSE					
96	ACWA/JPIA Program Insurance	0	33,000	0	0	0
97	ACWA/JPIA Workers Comp	0	4,400	0	0	4,400
98	TOTAL INSURANCE EXPENSE:	-	37,400	-	-	4,400
99						
100	DEBT EXPENSE					
101	Compass Bank Note 2018A	0	35,108	0	0	0
102	Compass Bank Note 2018B		15,679			
103	Pacific Western Bank 2018 IPA		100,119			
104	TOTAL DEBT EXPENSE:	-	150,906	-	-	-
105						
106	PERSONNEL EXPENSE					
107	Board Meeting Expense (board stipend/board secretary)	1,970	1,970	1,970	5,045	2,225
108	Salaries & Wages (gross)	70,297	75,890	74,026	75,890	70,297
109	Salaries & Wages offset account (board stipends/staff project salaries)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
110	Consulting services/Contract Labor	1,250	1,250	1,250	1,250	1,250
111	Taxes on Payroll	2,676	1,784	1,561	2,230	1,784
112	Medical Insurance Benefits	19,500	19,500	19,500	21,000	
113	Calpers Retirement Benefits	7,300	7,300	7,400	7,400	7,400
114	Conference/Conventions/Training/Seminars	34	400	1,278	500	126
115	TOTAL PERSONNEL EXPENSE:	98,027	103,095	101,985	108,316	78,082
116						
117	OFFICE EXPENSE					
118	Office Supplies	1,569	1,000	1,200	750	1,000
119	Office Equipment/ Rental/Maintenance Agreements	2,519	1,990	1,837	1,645	1,000
120	Postage & Freight	2,100	400	2,100	2,100	2,100
121	Taxes on Property	0	0	0	0	0
122	Telephone/Answering Service/Cell	2,000	2,000	2,000	2,000	2,000
123	Dues & Subscriptions (ACWA/CSDA)	124	239	1,449	347	145
124	Printing Publications & Notices	698	0	322	400	200
125	Uniforms	540	540	540	550	550
126	OSHA Requirements/Emergency preparedness	291	108	300	300	259
127	TOTAL OFFICE EXPENSE:	9,842	6,277	9,748	8,092	7,254
128						
129	UTILITIES EXPENSE					
130	Pumping-Electricity	20,518	21,488	23,000	23,721	24,000
131	Office/Shop Utilities	100	100	100	100	100
133	TOTAL UTILITIES EXPENSE:	20,618	23,780	23,100	23,821	24,100
134						
135	GROUNDWATER MANAGEMENT EXPENSE					
136	SGMA GSP Costs	25,500	26,000	26,000	26,000	26,000
137	Prop 1 Grant Expense	5,000	5,000	5,000	5,000	5,000
139	TOTAL GWM EXPENSE:	30,500	23,645	31,000	31,000	31,000
140						
141	TOTAL EXPENSES:	222,886	414,942	225,378	234,869	203,763
142	CASH BASIS ADJUSTMENTS					
143	Decrease (Increase) in Accounts Payable					
144	Increase (Decrease) in Inventory					
145	Other Cash Basis Adjustments-CSD refunds					
146	TOTAL CASH BASIS ADJUSTMENTS:					
147						
148	TOTAL OPERATING EXPENSES PAID:	222,886	414,942	225,378	234,869	203,763
149						
150	UNEXPENDED DEBT PROCEEDS:	5,320,971	5,320,971	5,118,971	5,118,971	4,918,971
151						
152	TOTAL EXPENSES AND UNEXPENDED DEBT PROCEEDS:	5,543,857	5,735,913	5,344,349	5,353,839	5,122,734
153						
154	NET OPERATING INCOME:	113,096	(112,619)	117,880	185,518	151,918

	C	AB	AC	AD	AE
1	BWD	6/19/2018			
2	BUDGET CASH FLOW	ADOPTED	Actual	Projected	Actual
3	2018-2019	BUDGET	September	September	YTD
4		2018-2019	2018	2018	2018-2019
155					
156	CIP PROJECTS				
157	Water				
159	Operating Cash Funded	342,000		31,000	32,729
160	Debt Funded	602,000			-
161	Grant Funded	265,000	0		-
162	TOTAL WATER CIP:	1,209,000	-	31,000	32,729
163	Sewer				
164	Operating Cash Funded		0		-
165	Debt Funded	150,000	0		-
166	Grant Funded	0	0		-
167	TOTAL SEWER CIP:	150,000	0	-	-
168					
169	TOTAL CIP EXPENSES:	1,359,000	0	31,000	32,729
170					
171	CASH RECAP				
172	Cash beginning of period	4,570,637	4,548,854	4,429,305	4,791,665
173	Operating Income	822,296	240,930	(44,307)	30,847
174	Total Non O&M Cash Funded Expenses	-342,000	0	(31,000)	(32,729)
175	CASH RESERVES AT END OF PERIOD	5,050,933	4,789,783	4,353,998	4,789,783
176	FY Reserves Target	5,380,000	5,380,000	5,380,000	5,380,000
177	Reserves Surplus/(Shortfall)	-329,067	(590,217)	(1,026,002)	(590,217)
178					
179					
180					
181					

	C	AG	AH	AI	AJ	AK
1	BWD					
2	BUDGET CASH FLOW	Projected	Projected	Projected	Projected	Projected
3	2018-2019		October	November	December	January
4		<u>2018-2019</u>	<u>2018</u>	<u>2018</u>	<u>2018</u>	<u>2019</u>
155						
156	CIP PROJECTS					
157	Water					
159	Operating Cash Funded	278,271	31,000	31,000	31,000	31,000
160	Debt Funded	602,000				
161	Grant Funded	265,000			265,000	
162	TOTAL WATER CIP:	<u>1,145,271</u>	<u>31,000</u>	<u>31,000</u>	<u>296,000</u>	<u>31,000</u>
163	Sewer					
164	Operating Cash Funded	0				
165	Debt Funded	150,000				
166	Grant Funded	0				
167	TOTAL SEWER CIP:	<u>150,000</u>	-	-	-	-
168						
169	TOTAL CIP EXPENSES:	<u>1,295,271</u>	<u>31,000</u>	<u>31,000</u>	<u>296,000</u>	<u>31,000</u>
170						
171	CASH RECAP					
172	Cash beginning of period	4,789,783	4,789,783	4,897,677	4,999,042	5,327,184
173	Operating Income	1,234,970	138,894	132,364	359,142	148,778
174	Total Non O&M Cash Funded Expenses	(278,271)	(31,000)	(31,000)	(31,000)	(31,000)
175	CASH RESERVES AT END OF PERIOD	5,746,483	4,897,677	4,999,042	5,327,184	5,444,961
176	FY Reserves Target	<u>5,380,000</u>	<u>5,380,000</u>	<u>5,380,000</u>	<u>5,380,000</u>	<u>5,380,000</u>
177	Reserves Surplus/(Shortfall)	<u>366,483</u>	<u>(482,323)</u>	<u>(380,958)</u>	<u>(52,816)</u>	<u>64,961</u>
178						
179						
180						
181						

	C	AL	AM	AN	AO	AP
1	BWD					
2	BUDGET CASH FLOW	Projected	Projected	Projected	Projected	Projected
3	2018-2019	February	March	April	May	June
4		<u>2019</u>	<u>2019</u>	<u>2019</u>	<u>2019</u>	<u>2019</u>
155						
156	CIP PROJECTS					
157	Water					
159	Operating Cash Funded	31,000	31,000	31,000	31,000	30,271
160	Debt Funded	200,000		202,000		200,000
161	Grant Funded					
162	TOTAL WATER CIP:	<u>231,000</u>	<u>31,000</u>	<u>233,000</u>	<u>31,000</u>	<u>230,271</u>
163	Sewer					
164	Operating Cash Funded					
165	Debt Funded	150,000				
166	Grant Funded					
167	TOTAL SEWER CIP:	150,000	-	-	-	-
168						
169	TOTAL CIP EXPENSES:	<u>381,000</u>	<u>31,000</u>	<u>233,000</u>	<u>31,000</u>	<u>230,271</u>
170						
171	CASH RECAP					
172	Cash beginning of period	5,444,961	5,527,057	5,383,439	5,470,318	5,624,836
173	Operating Income	113,096	(112,619)	117,880	185,518	151,918
174	Total Non O&M Cash Funded Expenses	(31,000)	(31,000)	(31,000)	(31,000)	(30,271)
175	CASH RESERVES AT END OF PERIOD	5,527,057	5,383,439	5,470,318	5,624,836	5,746,483
176	FY Reserves Target	<u>5,380,000</u>	<u>5,380,000</u>	<u>5,380,000</u>	<u>5,380,000</u>	<u>5,380,000</u>
177	Reserves Surplus/(Shortfall)	<u>147,057</u>	<u>3,439</u>	<u>90,318</u>	<u>244,836</u>	<u>366,483</u>
178						
179						
180						
181						



TREASURER'S REPORT September, 2018

Bank Balance	Carrying Value	Fair Value	% of Portfolio				Valuation Source
			Current Actual	Rate of Interest	Maturity		

Cash and Cash Equivalents:

Demand Accounts at CVB/LAIF

General Account/Petty Cash	\$ 4,607,515	\$ 4,768,252	\$ 4,768,252	45.84%	0.00%	N/A	CVB
Payroll Account	\$ 91,523	\$ 91,259	\$ 91,259	0.88%	0.00%	N/A	CVB
MMA (Bond Funds)	\$ 5,520,971	\$ 5,520,971	\$ 5,520,971	53.08%	1.01%	N/A	CVB
LAIF	\$ 21,531	\$ 21,531	\$ 21,531	0.21%	1.20%	N/A	LAIF

Total Cash and Cash Equivalents	\$ 10,241,541	\$ 10,402,013	\$ 10,402,013	100.00%			
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Facilities District No. 2017-1A-B

Special Tax Bond- Rams Hill -US BANK	\$ 30,704	\$ 30,704	\$ 30,704				
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Total Cash, Cash Equivalents & Investments	\$ 10,272,245	\$ 10,432,717	\$ 10,432,717				
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Cash and investments conform to the District's Investment Policy statement filed with the Board of Directors on July 19, 2018

Cash, investments and future cash flows are sufficient to meet the needs of the District for the next six months.

Sources of valuations are Umpqua Bank, LAIF and US Trust Bank.

Kim Pitman, Administration Manager



To: BWD Board of Directors
 From: Kim Pitman
 Subject: Consideration of the Disbursements and Claims Paid
 Month Ending September, 2018

Vendor disbursements paid during this period: **\$ 1,169,741.96**

Significant items:

San Diego Gas & Electric	\$	31,468.73
Medical Health Benefits	\$	19,933.37
CalPERS	\$	10,172.00
Borrego Springs Homeowners Association-CSD Rebate	\$	16,588.94
Auto and General Liability Insurance	\$	23,857.00

Capital Projects/Fixed Asset Outlays:

Total Professional Services for this Period:

Best Best & Krieger	Legal-general	\$	3,652.42
	GWM	\$	19,643.70
The Rick Alexander Company	Grant	\$	4,171.25
LeSar Development	Grant-SDAC	\$	31,650.00
Dudek-Water model update	GSP	\$	17,267.50

Debt Installment Payments

BBVA Compass Bank	\$	340,367.10
Pacific Western Bank-Bond CIP	\$	400,267.98
Citizens Business Bank (received refund, paid through escrow)	\$	209,050.00

Payroll for this Period:

Gross Payroll	\$	72,057.53
Employer Payroll Taxes and ADP Fee	\$	756.70
Total	\$	72,814.23

Accounts Payable

Board Report September 2018



Vendor	Vendor	Check Amount
3035	ACWA / JPIA PROGRAM INSURANCE	23,857.00
1266	AFLAC	1,551.62
11008	Alfred Gobar	294.26
1001	AMERICAN LINEN INC.	455.84
9272	AMERICAN WATER WORKS	420.00
11000	Arnie Rosenberg	294.26
61	AT&T MOBILITY	725.50
9529	AT&T-CALNET 3	373.88
83	AUTOMATED WATER TREATMENT	10,828.91
9255	BABCOCK LABRATORIES	1,110.00
91	BBVA COMPASS	340,367.10
10884	BEST BEST & KRIEGER ATTORNEYS AT LAW	23,296.12
88	BORREGO AUTO PARTS, INC.	1,188.07
1003	BORREGO SPRINGS BOTTLED WATER	112.55
1037	BORREGO SUN	1,779.35
11003	Bruce Barnes	294.26
10996	Bruce Burns	588.53
11019	Buster Carnegie	355.42
11002	Casey Hoffman	294.26
1196	CASH	600.00
9339	CEB	184.04
9418	CITIZENS BUSINESS BANK	209,050.00
11005	Clayton & Pamela Isemann	49.05
56	CMS BUSINESS FORMS, INC.	656.56
11015	Cooperrider Trust	355.42
11013	Craig & Jacque Goodrich	233.11
11001	David Knapp	294.26
1222	DEBBIE MORETTI	122.00
96	DISH	151.44
11004	Dorothy Southern	147.14
9640	DUDEK	17,267.50
11018	Ellen Doubet	233.11
11010	Franco Ganino	355.42
10978	Gary & Judy Haldeman	355.42
10987	Gayle Reynolds	294.26
10992	George & Sandra Ronis	245.22
10979	Gita Mahingostar	294.26
9579	GREEN DESERT LANDSCAPE	4,770.00
1136	HOME DEPOT CREDIT SERVICES	464.69
10981	Ingrid Tuxhorn	294.26
11021	J & T Tire and Auto	524.45
11012	James & Lynn Smith	233.11
1022	JAMES HORMUTH DE ANZA TRUE VALUE	44.84
10984	Janene Colby / Scot Martin	294.26

65	JC LABS & MONITORING SERVICE	1,500.00
11011	Jim Torian	355.42
10991	Joann Maiter	294.26
10997	Joe Robinson	294.26
11020	Joel Vanasdlen	355.42
10873	KESSLINGS KITCHEN	169.71
10988	Kirby, Mauren / Tatusko, Joseph	294.26
10990	Kristina Craig	294.26
10889	LESAR DEVELOPMENT CONSULTANTS	31,650.00
10980	Lisa Churchill	294.26
10899	LOUIS ALEXANDER THE RICK ALEXANDER COMPANY	4,171.25
10999	Louise Rossi	294.26
10998	Lynn Erickson	294.26
10986	Margaret O'Driscoll	294.26
10989	Matthew Scholl	294.26
1000	MEDICAL ACWA-JPIA	19,933.37
10985	Michael Griffith	294.26
11006	Neal & Rose Masters	355.42
10891	NEOFUNDS	405.75
11017	NEOPOST USA INC	405.75
1208	PACIFIC PIPELINE SUPPLY INC	2,836.77
11016	PACIFIC WESTERN BANK PAYMENTS	400,267.98
10995	Paul Zablony	294.26
9633	RAMONA DISPOSAL SERVICE	3,431.51
11007	Ray Larson	245.22
11009	Richard & Mary Mossay	233.11
1065	SAN DIEGO GAS & ELECTRIC	31,468.73
10894	SAN DIEGO POWDER	484.88
1059	STAPLES CREDIT PLAN	3,762.97
10994	Steve Quartiteri	294.26
10983	The Lawrence L Thomas Trust	294.26
10885	THE SOCO GROUP, INC.	1,521.13
11014	Todd Colburn	355.42
3000	U.S.BANK CORPORATE PAYMENT SYS	2,757.94
1023	UNDERGROUND SERVICE ALERT	28.15
10847	USA COMMUNICATIONS	240.94
10993	Vera Durrant	294.26
1100	VERIZON WIRELESS	180.34
1623	WENDY QUINN	537.50
1064	WYMORE,INC.INDUSTRIES	8,323.99
92	XEROX FINANCIAL SERVICES	377.00
9602	XYLEM WATER SOLUTIONS USA,INC	3,313.94

Report Total (93 checks):

1,169,741.96



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	G	H	I	J	K	L
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191						
192	Balance sheet continued					
193						
194				BALANCE SHEET	BALANCE SHEET	MONTHLY
195				September 30, 2018	August 31, 2018	CHANGE
196				(unaudited)	(unaudited)	(unaudited)
197						
198						
199		LIABILITIES				
200		CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS				
201	Accounts Payable		\$	940,056.93	\$ 58,500.45	\$ 881,556.48
202	Accrued expenses		\$	147,386.12	\$ 147,386.12	\$ -
203	CSD Refund Payable		\$	58,808.37	\$ 75,397.31	\$ (16,588.94)
204	Bond funded CIP Expenses		\$	(351,000.00)	\$	\$ (351,000.00)
205	Deposits		\$	21,103.26	\$ 16,103.26	\$ 5,000.00
206						
207		TOTAL CURRENT LIABILITIES PAYABLE				
208		FROM CURRENT ASSETS	\$	816,354.68	\$ 297,387.14	\$ 518,967.54
209						
210		CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS				
211	Debt Service:					
212	Accounts Payable to CFD 2017-1		\$	30,704.56	\$ 240,673.22	\$ (209,968.66)
213						
214						
215		TOTAL CURRENT LIABILITIES PAYABLE				
216		FROM RESTRICTED ASSETS	\$	30,704.56	\$ 240,673.22	\$ (209,968.66)
217						
218		LONG TERM LIABILITIES				
219	2008 Certificates of Participation-ID 4 infrastructure		\$	1,982,000.00	\$ 2,180,000.00	\$ (198,000.00)
220	2018 Certificates of Participation to fund CIP Projects		\$	5,586,000.00	\$ 5,586,000.00	\$ -
221	BBVA Compass Bank Loan		\$	727,590.17	\$ 844,505.85	\$ (116,915.68)
222	Net Pension Liability-CalPERS		\$	819,059.00	\$ 819,059.00	\$ -
223	Deferred Inflow of Resources-CalPERS		\$	163,076.00	\$ 163,076.00	\$ -
224						
225		TOTAL LONG TERM LIABILITIES	\$	9,277,725.17	\$ 9,592,640.85	\$ (314,915.68)
226						
227		TOTAL LIABILITIES	\$	10,124,784.41	\$ 10,130,701.21	\$ (5,916.80)
228						
229		FUND EQUITY				
230	Contributed equity		\$	9,611,814.35	\$ 9,611,814.35	\$ -
231						
232	Retained Earnings:					
233	Unrestricted Reserves/Retained Earnings		\$	5,492,613.14	\$ 5,400,361.49	\$ 92,251.65
234						
235	Total retained earnings		\$	5,492,613.14	\$ 5,400,361.49	\$ 92,251.65
236						
237		TOTAL FUND EQUITY	\$	15,104,427.49	\$ 15,012,175.84	\$ 92,251.65
238						
239		TOTAL LIABILITIES AND FUND EQUITY	\$	25,229,211.90	\$ 25,142,877.05	\$ 86,334.85



**GROUNDWATER MANAGEMENT
ACCOUNTING
FY 2019
Acct #10154800**

	A	C	D	E	F	I	J	L	O	P	Q
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
15				Wendy Quinn	Town Hall/		Conf/Classes	Water Advisory		Monthly	FYE 2019
16	Month	BBK	DUDEK	Minutes	Advertising/Postage	Staff Allocation	Misc.	Committee-Lunches	Babcock	Total	Total
17											
18	Jul-18			250.00		5,000.00		798.36		6,048.36	6,048.36
19	Aug-18	8,862.29	15,079.83	112.50		7,417.44	632.49	175.00	720.00	32,999.55	39,047.91
20	Sep-18	19,643.70		112.50	1,741.35	7,343.32		385.57		29,226.44	68,274.35
21	Oct-18									-	68,274.35
22	Nov-18									-	68,274.35
23	Dec-18									-	68,274.35
24	Jan-19									-	68,274.35
25	Feb-19									-	68,274.35
26	Mar-19									-	68,274.35
27	Apr-19									-	68,274.35
28	May-19									-	68,274.35
29	Jun-19									-	68,274.35
30											
31	Total	28,505.99	15,079.83	475.00	1,741.35	19,760.76	632.49	1,358.93	720.00	68,274.35	68,274.35

	A	B	C	D	E	F	G	H	I	J	K
4						PROP 1 GRANT					
5						ACCOUNTING					
6						FY 2019					
7						Acct #10117170					
8											
9											
10											
11											
12											
13			North Gardens					Dynamic	Environmental		Monthly
14	Month		Management	DUDEK	COUNTY	LE SAR	TRAC	Engineering	Navigation	Total	Total
15											
16	09/15/15	Justification Grant Projects	1,552.50							1,552.50	
17	09/30/15	Jane Gray-Grant Application		95.00						95.00	1,647.50
18	10/31/15	Notice of Exemption			50.00					50.00	50.00
19	12/16/15	Jane Gray-Grant Application		760.00						760.00	
20	12/16/15	Jane Gray-Grant Application		380.00						380.00	
21	12/29/15	Jane Gray-Grant Application		2,438.75						2,438.75	3,578.75
22	03/01/16	Notice of Exemption			200.00					200.00	
23	03/31/16	Jane Gray-Grant Application		53.75						53.75	253.75
24	04/29/16	William Kubran-WTF funding review		2,980.00						2,980.00	2,980.00
25	05/27/16	William Kubran-WTF funding review		1,260.00						1,260.00	1,260.00
26	12/30/16	William Kubran-WTF funding review		1,330.00						1,330.00	1,330.00
27	06/24/17	William Kubran-WTF funding coordination		385.00						385.00	385.00
28	09/27/17	SDAC Engagement				20,000.00				20,000.00	20,000.00
29	10/31/17	SDAC Engagement				17,269.80				17,269.80	17,269.80
30	12/31/17	SDAC Engagement				7,730.20				7,730.20	7,730.20
31	05/31/18	SDAC Engagement				14,500.00				14,500.00	
32	05/31/18	SDAC Engagement				13,000.00				13,000.00	
33	05/31/18	Prepare TMF					3,575.75			3,575.75	31,075.75
34	06/30/18	Grant Task 5.1 & 5.2		7,063.75						7,063.75	
35	06/30/18	SDAC engagement				3,250.00				3,250.00	
36	06/30/18	Technical support							13,500.00	13,500.00	
37	06/30/18	Technical support							9,500.00	9,500.00	33,313.75
38	07/31/18	BWD Diesel Engine & Tank Rehab						41,670.00		41,670.00	
39	07/31/18	Technical support							16,950.00	16,950.00	
40	07/31/18	Review Grant Information					1,487.50			1,487.50	
41	07/31/18	SDAC engagement				6,500.00				6,500.00	66,607.50
42	09/30/18	Water model updateWwell ranking system		17,267.50						17,267.50	
43	09/30/18	SDAC Engagement				31,650.00				31,650.00	
44	09/30/18	Grant review					4,171.25			4,171.25	53,088.75
45											
46	Total		1,552.50	34,013.75	250.00	113,900.00	9,234.50	41,670.00	39,950.00	240,570.75	240,570.75

	C	AC	AD	AE	AF
1	BWD	6/19/2018			
2	BUDGET CASH FLOW	ADOPTED	Actual	Projected	
3	2018-2019	BUDGET	October	October	Difference
4		2018-2019	2018	2018	Explanations
5					
6	REVENUE				
7	WATER REVENUE				
8	Residential Water Sales	950,994	98,826	81,463	4,235 units>2017
9	Commercial Water Sales	417,885	51,097	41,505	3,185 units>2017
10	Irrigation Water Sales	237,061	18,241	28,770	2,819 units<2017
11	GWM Surcharge	181,749	18,715	16,667	
12	Water Sales Power Portion	514,706	37,813	46,029	
13	TOTAL WATER COMMODITY REVENUE:	2,302,395	224,691	214,433	
14					
15	Readiness Water Charge	1,154,976	96,541	96,248	
18	Meter Install/Reconnect Fees	20,680	340		
19	Backflow Testing/Installation	6,100	250	-	
20	Bulk Water Sales	1,200	360	100	
21	Penalty & Interest Water Collection	40,000	0	4,000	not assessed
22	TOTAL WATER REVENUE:	3,524,351	322,182	314,781	
23					
24	PROPERTY ASSESSMENTS/AVAILABILITY CHARGES				
25	641500 1% Property Assessments	62,300	3,544	836	
26	641502 Property Assess wtr/swr/fld	106,212	2,058	-	
28	641501 Water avail Standby	82,376	8,541	377	
30	641504 ID 3 Water Standby (La Casa)	33,647	1,051	267	
31	641503 Pest standby	17,870	662	59	
32	TOTAL PROPERTY ASSES/AVAIL CHARGES:	302,404	15,856	1,539	
33					
34	SEWER SERVICE CHARGES				
35	Town Center Sewer Holder fees	234,593	19,549	19,549	
36	Town Center Sewer User Fees	88,695	7,392	7,391	
37	Sewer user Fees	278,304	23,915	23,192	
39	Penalty Interest Sewer	1,248	0	104	not assessed
41	TOTAL SEWER SERVICE CHARGES:	602,840	59,507	50,236	
42					
43	OTHER INCOME				
48	Water Credits income	22,000	0	-	
49	WTF Solar Rebate	50,000			
50	R/H Surplus Water Revenue	200,000			
51	Interest Income	8,000	4,808	2,000	
52	TOTAL OTHER INCOME:	278,000	4,808	2,000	
53					
54	TOTAL INCOME:	4,707,595	402,352	368,556	
55					
56	CASH BASIS ADJUSTMENTS				
57	Decrease (Increase) in Accounts Receivable		(9,909)		
58	Deposits-refund		(9,800)		
59	Other Cash Basis Adjustments-Recycled Water Grant		35,441		
60	TOTAL CASH BASIS ADJUSTMENTS:		15,731		
61					
62	TOTAL OPERATING INCOME RECEIVED:	4,707,595	418,084	368,556	
63					
64	GRANT & DEBT PROCEEDS				
65	Prop 1 GSP Grant	500,000			
66	Pacific Western Bank 2018 IPA	5,500,000			
67	TOTAL GRANT & DEBT PROCEEDS:	6,000,000	0	-	
68					
69	TOTAL INCOME, GRANT & DEBT PROCEEDS:	10,707,595	418,084	368,556	
70					

	C	AG	AH	AJ	AK	AL	AM
1	BWD						
2	BUDGET CASH FLOW	Actual	Actual YTD	Projected	Projected	Projected	Projected
3	2018-2019	YTD	and Projected	2018-2019	November	December	January
4		2018-2019	2018-2019	2018-2019	2018	2018	2019
5							
6	REVENUE						
7	WATER REVENUE						
8	Residential Water Sales	380,587	949,130	568,543	82,693	68,756	66,088
9	Commercial Water Sales	176,889	435,447	258,557	42,757	30,278	36,898
10	Irrigation Water Sales	91,814	223,993	132,178	19,873	14,674	19,746
11	GWM Surcharge	72,103	182,905	110,802	16,092	12,532	13,121
12	Water Sales Power Portion	184,714	502,307	317,593	44,450	34,619	36,220
13	TOTAL WATER COMMODITY REVENUE:	906,108	2,293,781	1,387,673	205,864	160,860	172,073
14							
15	Readiness Water Charge	385,125	1,155,109	769,984	96,248	96,248	96,248
18	Meter Install/Reconnect Fees	690	11,370	10,680	340		
19	Backflow Testing/Installation	300	5,400	5,100	0	0	0
20	Bulk Water Sales	6,786	7,586	800	100	100	100
21	Penalty & Interest Water Collection	16,663	40,663	24,000	0	0	4,000
22	TOTAL WATER REVENUE:	1,316,390	3,514,628	2,198,237	302,552	257,208	272,421
23							
24	PROPERTY ASSESSMENTS/AVAILABILITY CHARGES						
25	641500 1% Property Assessments	4,835	64,706	59,872	3,114	20,365	9,633
26	641502 Property Assess wtr/swr/fld	2,248	108,312	106,063	3,064	44,237	10,451
28	641501 Water avail Standby	9,039	86,420	77,381	7,507	18,082	29,301
30	641504 ID 3 Water Standby (La Casa)	1,094	33,995	32,902	1,491	3,007	14,101
31	641503 Pest standby	727	17,995	17,269	611	5,063	4,070
32	TOTAL PROPERTY ASSES/AVAIL CHARGES:	17,942	311,429	293,486	15,788	90,754	67,556
33							
34	SEWER SERVICE CHARGES						
35	Town Center Sewer Holder fees	76,875	233,271	156,396	19,549	19,549	19,549
36	Town Center Sewer User Fees	29,282	88,413	59,131	7,391	7,391	7,391
37	Sewer user Fees	93,569	279,105	185,536	23,192	23,192	23,192
39	Penalty Interest-Sewer	7,769	8,601	832	104	104	104
41	TOTAL SEWER SERVICE CHARGES:	215,416	617,311	401,895	50,236	50,236	50,236
42							
43	OTHER INCOME						
48	Water Credits income	-	11,000	11,000	0	0	0
49	WTF Solar Rebate	-	-	0			
50	R/H Surplus Water Revenue	-	200,000	200,000		200,000	
51	Interest Income	17,003	33,003	16,000	2,000	2,000	2,000
52	TOTAL OTHER INCOME:	17,003	244,003	227,000	2,000	202,000	2,000
53							
54	TOTAL INCOME:	1,566,752	4,687,370	3,120,618	370,576	600,199	392,213
55							
56	CASH BASIS ADJUSTMENTS						
57	Decrease (Increase) in Accounts Receivable	(80,993)	(80,993)				
58	Deposits-refund	(4,800)	(4,800)				
59	Other Cash Basis Adjustments-Recycled Water Grant	35,441	35,441				
60	TOTAL CASH BASIS ADJUSTMENTS:	(50,353)	(50,353)				
61							
62	TOTAL OPERATING INCOME RECEIVED:	1,516,399	4,637,017	3,120,618	370,576	600,199	392,213
63							
64	GRANT & DEBT PROCEEDS						
65	Prop 1 GSP Grant	-	-	0			
66	Pacific Western Bank 2018 IPA	5,654,707	5,654,707	0			
67	TOTAL GRANT & DEBT PROCEEDS:	5,654,707	5,654,707	0	0	0	0
68							
69	TOTAL INCOME, GRANT & DEBT PROCEEDS:	7,171,106	10,291,724	3,120,618	370,576	600,199	392,213
70							

	C	AN	AD	AP	AQ	AR
1	BWD					
2	BUDGET CASH FLOW	Projected	Projected	Projected	Projected	Projected
3	2018-2019	February	March	April	May	June
4		2019	2019	2019	2019	2019
5						
6	REVENUE					
7	WATER REVENUE					
8	Residential Water Sales	66,152	57,509	70,304	75,920	81,120
9	Commercial Water Sales	30,234	31,031	26,000	30,160	31,200
10	Irrigation Water Sales	15,000	12,450	13,520	16,640	20,276
11	GWM Surcharge	12,068	11,075	15,293	15,310	15,310
12	Water Sales Power Portion	33,310	30,560	47,230	44,632	46,572
13	TOTAL WATER COMMODITY REVENUE:	156,763	142,625	172,347	182,662	194,477
14						
15	Readiness Water Charge	96,248	96,248	96,248	96,248	96,248
18	Meter Install/Reconnect Fees	10,000		340		
19	Backflow Testing/installation	0	0	0	0	5,100
20	Bulk Water Sales	100	100	100	100	100
21	Penalty & Interest Water Collection	4,000	4,000	4,000	4,000	4,000
22	TOTAL WATER REVENUE:	267,111	242,973	273,035	283,010	299,925
23						
24	PROPERTY ASSESSMENTS/AVAILABILITY CHARGES					
25	641500 1% Property Assessments	5,635	2,102	12,153	6,671	200
28	641502 Property Assess wtr/swr/fld	0	693	1,056	46,262	300
28	641501 Water avail Standby	0	3,015	3,732	13,745	2,000
30	641504 ID 3 Water Standby (La Casa)	0	889	396	12,527	490
31	641503 Pest standby	0	416	651	5,936	523
32	TOTAL PROPERTY ASSES/AVAIL CHARGES:	5,635	7,114	17,987	85,140	3,513
33						
34	SEWER SERVICE CHARGES					
35	Town Center Sewer Holder fees	19,549	19,549	19,549	19,549	19,553
36	Town Center Sewer User Fees	7,391	7,391	7,391	7,391	7,394
37	Sewer user Fees	23,192	23,192	23,192	23,192	23,192
39	Penalty Interest Sewer	104	104	104	104	104
41	TOTAL SEWER SERVICE CHARGES:	50,236	50,236	50,236	50,236	50,243
42						
43	OTHER INCOME					
48	Water Credits income	11,000	0	0	0	0
49	WTF Solar Rebate					
50	R/H Surplus Water Revenue					
51	Interest Income	2,000	2,000	2,000	2,000	2,000
52	TOTAL OTHER INCOME:	13,000	2,000	2,000	2,000	2,000
53						
54	TOTAL INCOME:	335,982	302,324	343,258	420,386	355,681
55						
56	CASH BASIS ADJUSTMENTS					
57	Decrease (Increase) in Accounts Receivable					
58	Deposits-refund					
59	Other Cash Basis Adjustments-Recycled Water Grant					
60	TOTAL CASH BASIS ADJUSTMENTS:					
61						
62	TOTAL OPERATING INCOME RECEIVED:	335,982	302,324	343,258	420,386	355,681
63						
64	GRANT & DEBT PROCEEDS					
65	Prop 1 GSP Grant					
66	Pacific Western Bank 2018 IPA					
67	TOTAL GRANT & DEBT PROCEEDS:	0	0	0	0	0
68						
69	TOTAL INCOME, GRANT & DEBT PROCEEDS:	335,982	302,324	343,258	420,386	355,681
70						

	C	AC	AD	AE	AF
1	BWD	6/19/2018			
2	BUDGET CASH FLOW	ADOPTED	Actual	Projected	
3	2018-2019	BUDGET	October	October	Difference
4		2018-2019	2018	2018	Explanations
71	EXPENSES				
72					
73	MAINTENANCE EXPENSE				
74	R & M Buildings & Equipment	180,000	44,733	15,000	
75	R & M - WWTP	180,000	10,059	15,000	
76	Telemetry	10,000	0	-	
77	Trash Removal	4,200	418	350	Rates increased
78	Vehicle Expense	18,000	654	1,000	
79	Fuel & Oil	30,000	1,902	3,000	
80	TOTAL MAINTENANCE EXPENSE:	422,200	57,766	34,350	
81					
82	PROFESSIONAL SERVICES EXPENSE				
83	Tax Accounting (Tausig)	3,000	0	-	
84	Administrative Services (ADP)	3,000	112	240	
85	Audit Fees (Squarmliner)	16,995	5,665	-	Budgeted for Nov.
86	Computer billing (Accela/Parker)	25,000	0	-	
87	Financial/Technical Consulting (Raftelis) (Fieldman) (Holt Group)	80,000	0	500	
88	Engineering (Dynamic/Dudek)	60,000	0	5,000	
89	District Legal Services (Downey Brand/BBK)	100,000	7,977	10,000	
90	Testing/lab work (Babcock Lab)	12,000	1,781	800	
91	Regulatory Permit Fees (SWRB/DEH/Dig alerts/APCD)	25,000	8,200	3	Retund permit fee deposit Library/Sheriff
92	Management Consulting (CIP)	50,000	-	-	
93	TOTAL PROFESSIONAL SERVICES EXPENSE:	374,994	23,734	16,543	
94					
95	INSURANCE EXPENSE				
96	ACWA/JPIA Program Insurance	57,000	0	-	
97	ACWA/JPIA Workers Comp	17,800	4,120	4,200	
98	TOTAL INSURANCE EXPENSE:	74,800	4,120	4,200	
99					
100	DEBT EXPENSE				
101	Compass Bank Note 2018A	254,500	0	-	
102	Compass Bank Note 2018B	143,000	0	-	
103	Pacific Western Bank 2018 IPA	500,000	-	-	
104	TOTAL DEBT EXPENSE:	897,500	0	-	
105					
106	PERSONNEL EXPENSE				
107	Board Meeting Expense (board stipend/board secretary)	25,000	1,980	1,970	
108	Salaries & Wages (gross)	890,000	74,192	75,890	
109	Salaries & Wages offset account (board stipends/staff project salaries)	-80,000	7,854	(5,000)	Retund staff time deposit Library/Sheriff
110	Consulting services/Contract Labor	15,000	2,693	1,250	Brady/Rohwing
111	Taxes on Payroll	22,300	1,293	892	
112	Medical Insurance Benefits	229,000	18,608	18,570	
113	Calpers Retirement Benefits	170,170	6,979	7,100	
114	Conference/Conventions/Training/Seminars	17,000	1,082	519	
115	TOTAL PERSONNEL EXPENSE:	1,308,470	114,680	101,192	
116					
117	OFFICE EXPENSE				
118	Office Supplies	20,000	1,684	1,367	
119	Office Equipment/ Rental/Maintenance Agreements	35,000	4,308	4,538	
120	Postage & Freight	15,000	2,219	2,050	
121	Taxes on Property	2,334	2,383	2,334	
122	Telephone/Answering Service/Cell	24,000	1,541	2,000	
123	Dues & Subscriptions (ACWA/CSDA)	21,000	76	-	
124	Printing, Publications & Notices	2,500	26	100	
125	Uniforms	6,500	460	540	
126	OSHA Requirements/Emergency preparedness	4,000	189	500	
127	TOTAL OFFICE EXPENSE:	130,335	12,886	13,429	
128					
129	UTILITIES EXPENSE				
130	Pumping-Electricity	308,000	29,406	29,349	
131	Office/Shop Utilities	1,200	388	100	
132	TOTAL UTILITIES EXPENSE:	309,200	29,794	29,449	
133					
134					
135	GROUNDWATER MANAGEMENT EXPENSE				
136	SGMA GSP Costs	308,000	22,306	25,500	
137	Prop 1 Grant Expense	60,000	43,448	5,000	Le3ar/ENS
138	TOTAL GWM EXPENSE:	368,000	65,754	30,500	
139					
140					
141	TOTAL EXPENSES:	3,885,299	308,734	229,662	
142	CASH BASIS ADJUSTMENTS				
143	Decrease (Increase) in Accounts Payable		822,514		
144	Increase (Decrease) in Inventory		(1,118)		
145	Other Cash Basis Adjustments-CSD refunds		7,063		
146	TOTAL CASH BASIS ADJUSTMENTS:		828,460		
147					
148	TOTAL OPERATING EXPENSES PAID:	3,885,299	1,137,194	229,662	
149					
150	UNEXPENDED DEBT PROCEEDS:	4,698,000	5,525,662	5,520,971	
151					
152	TOTAL EXPENSES AND UNEXPENDED DEBT PROCEEDS:	8,583,499	6,662,856	5,750,633	
153					
154	NET OPERATING INCOME:	822,296	(719,110)	138,894	

	C	AG	AH	AI	AK	AL	AM
1	BWD						
2	BUDGET CASH FLOW						
3	2018-2019						
4		Actual	Actual YTD	Projected	Projected	Projected	Projected
71	EXPENSES	YTD	and Projected		November	December	January
72		2018-2019	2018-2019	2018-2019	2018	2018	2019
73	MAINTENANCE EXPENSE						
74	R & M Buildings & Equipment	76,279	180,000	103,721	10,000	15,000	15,000
75	R & M - WWTP	45,800	180,000	134,200	15,000	20,000	15,000
76	Telemetry	1,672	10,000	8,328	0	4,328	
77	Trash Removal	2,109	5,469	3,360	420	420	420
78	Vehicle Expense	7,632	18,000	10,368	1,500	1,000	1,500
79	Fuel & Oil	6,798	30,000	23,202	3,000	3,000	2,500
80	TOTAL MAINTENANCE EXPENSE:	140,290	423,469	283,179	29,920	43,748	34,420
81							
82	PROFESSIONAL SERVICES EXPENSE						
83	Tax Accounting (Taussig)	2,251	3,000	749	0	0	0
84	Administrative Services (ADP)	865	2,875	2,010	240	240	330
85	Audit Fees (Squamliner)	16,994	16,994	0	0	0	0
86	Computer billing (Accela/Parker)	6,743	24,848	18,105	2,500	0	3,000
87	Financial/Technical Consulting (Raftelis) (Fieldman) (Holt Group)	147,234	151,234	4,000	500	500	500
88	Engineering (Dynamic/Dudek)	-	47,000	47,000	5,000	6,000	6,000
89	District Legal Services (Downey Brand/BBK)	13,187	93,187	80,000	10,000	10,000	10,000
90	Testing/lab work (Babcock Lab)	5,636	12,000	6,364	500	800	800
91	Regulatory Permit Fees (SWRB/DEH/Dig alerts/APCD)	11,685	30,923	19,238	80	80	12,081
92	Management Consulting (CIP)	-	50,000	50,000	6,250	6,250	6,250
93	TOTAL PROFESSIONAL SERVICES EXPENSE:	204,595	432,061	227,466	25,070	23,870	38,961
94							
95	INSURANCE EXPENSE						
96	ACWA/JPIA Program Insurance	23,857	56,857	33,000	0	0	0
97	ACWA/JPIA Workers Comp	4,120	17,320	13,200	0	4,400	
98	TOTAL INSURANCE EXPENSE:	27,977	74,177	46,200	-	4,400	-
99							
100	DEBT EXPENSE						
101	Compass Bank Note 2018A	215,291	250,399	35,108	0	0	0
102	Compass Bank Note 2018B	125,076	140,755	15,679		0	0
103	Pacific Western Bank 2018 IPA	400,268	500,387	100,119			
104	TOTAL DEBT EXPENSE:	740,635	891,541	150,906	-	-	-
105							
106	PERSONNEL EXPENSE						
107	Board Meeting Expense (board stipend/board secretary)	4,090	23,180	19,090	1,970	1,970	1,970
108	Salaries & Wages (gross)	290,856	884,835	593,980	79,527	72,162	75,890
109	Salaries & Wages offset account (board stipends/staff project salaries)	(11,194)	(51,194)	(40,000)	(5,000)	(5,000)	(5,000)
110	Consulting services/Contract Labor	2,693	12,693	10,000	1,250	1,250	1,250
111	Taxes on Payroll	3,972	21,366	17,394	1,338	669	5,352
112	Medical Insurance Benefits	94,024	230,164	136,140	18,570	18,570	19,500
113	Calpers Retirement Benefits	118,181	176,381	58,200	7,100	7,100	7,200
114	Conference/Conventions/Training/Seminars	2,650	7,260	4,609	488	0	1,783
115	TOTAL PERSONNEL EXPENSE:	505,272	1,304,686	799,413	105,243	96,721	107,945
116							
117	OFFICE EXPENSE						
118	Office Supplies	8,057	20,911	12,854	2,409	2,009	2,917
119	Office Equipment/ Rental/Maintenance Agreements	14,473	32,707	18,234	5,543	578	3,122
120	Postage & Freight	4,288	15,188	10,900	40	2,060	0
121	Taxes on Property	2,383	2,383	0	0	0	0
122	Telephone/Answering Service/Cell	6,093	22,093	16,000	2,000	2,000	2,000
123	Dues & Subscriptions (ACWA/CSDA)	1,009	20,175	19,166	293	16,218	350
124	Printing, Publications & Notices	1,076	2,974	1,898	167	0	111
125	Uniforms	1,929	6,269	4,340	540	540	540
126	OSHA Requirements/Emergency preparedness	334	1,953	1,619	265	0	96
127	TOTAL OFFICE EXPENSE:	39,640	124,650	85,010	11,258	23,405	9,136
128							
129	UTILITIES EXPENSE						
130	Pumping-Electricity	118,856	302,862	184,007	25,526	23,511	22,243
131	Office/Shop Utilities	2,631	3,431	800	100	100	100
133	TOTAL UTILITIES EXPENSE:	121,486	308,485	186,999	25,626	23,611	22,343
134							
135	GROUNDWATER MANAGEMENT EXPENSE						
136	SGMA GSP Costs	90,581	296,581	206,000	25,500	25,500	25,500
137	Prop 1 Grant Expense	163,144	203,144	40,000	5,000	5,000	5,000
139	TOTAL GWM EXPENSE:	253,724	492,369	238,645	30,500	30,500	30,500
140							
141	TOTAL EXPENSES:	2,033,620	4,051,439	2,017,820	227,617	246,255	243,305
142	CASH BASIS ADJUSTMENTS						
143	Decrease (Increase) in Accounts Payable	117,747	117,747				
144	Increase (Decrease) in Inventory	8,287	8,287				
145	Other Cash Basis Adjustments-CSD refunds	63,715	63,715				
146	TOTAL CASH BASIS ADJUSTMENTS:	189,749	189,749				
147							
148	TOTAL OPERATING EXPENSES PAID:	2,223,368	4,241,188	2,017,820	227,617	246,255	243,305
149							
150	UNEXPENDED DEBT PROCEEDS:	5,525,662	5,525,662	5,525,662	0	0	0
151							
152	TOTAL EXPENSES AND UNEXPENDED DEBT PROCEEDS:	7,749,030	9,766,850	7,543,481	227,617	246,255	243,305
153							
154	NET OPERATING INCOME:	(706,969)	395,829	1,102,799	142,959	353,944	148,908

	C	AN	AO	AP	AQ	AR
1	BWD					
2	BUDGET CASH FLOW	Projected	Projected	Projected	Projected	Projected
3	2018-2019	February	March	April	May	June
4		2019	2019	2019	2019	2019
71	EXPENSES					
72						
73	MAINTENANCE EXPENSE					
74	R & M Buildings & Equipment	10,000	15,000	15,000	10,000	13,721
75	R & M - WWTP	15,000	20,000	15,000	15,000	19,200
76	Telemetry	0	2,000	0	2,000	0
77	Trash Removal	420	420	420	420	420
78	Vehicle Expense	1,500	1,000	1,500	1,000	1,368
79	Fuel & Oil	3,000	2,500	3,000	2,500	3,702
80	TOTAL MAINTENANCE EXPENSE:	29,920	40,920	34,920	30,920	38,411
81						
82	PROFESSIONAL SERVICES EXPENSE					
83	Tax Accounting (Taussig)	662	0	0	0	87
84	Administrative Services (ADP)	240	240	240	240	240
85	Audit Fees (Squarmliner)	0	0	0	0	0
86	Computer billing (Accela/Parker)	4,400	5,000	205	3,000	0
87	Financial/Technical Consulting (Raftelis) (Fieldman) (Holt Group)	500	500	500	500	500
88	Engineering (Dynamic/Dudek)	6,000	6,000	6,000	6,000	6,000
89	District Legal Services (Downey Brand/BBK)	10,000	10,000	10,000	10,000	10,000
90	Testing/lab work (Babcock Lab)	800	864	800	1,000	800
91	Regulatory Permit Fees (SWRB/DEH/Dig alerts/APCD)	197	5,000	500	800	500
92	Management Consulting (CIP)	6,250	6,250	6,250	6,250	6,250
93	TOTAL PROFESSIONAL SERVICES EXPENSE:	29,049	33,854	24,495	27,790	24,377
94						
95	INSURANCE EXPENSE					
96	ACWA/JPIA Program Insurance	0	33,000	0	0	0
97	ACWA/JPIA Workers Comp	0	4,400	0	0	4,400
98	TOTAL INSURANCE EXPENSE:	-	37,400	-	-	4,400
99						
100	DEBT EXPENSE					
101	Compass Bank Note 2018A	0	35,108	0	0	0
102	Compass Bank Note 2018B		15,679			
103	Pacific Western Bank 2018 IPA		100,119			
104	TOTAL DEBT EXPENSE:	-	150,906	-	-	-
105						
106	PERSONNEL EXPENSE					
107	Board Meeting Expense (board stipend/board secretary)	1,970	1,970	1,970	5,045	2,225
108	Salaries & Wages (gross)	70,297	75,890	74,026	75,890	70,297
109	Salaries & Wages offset account (board stipends/staff project salaries)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
110	Consulting services/Contract Labor	1,250	1,250	1,250	1,250	1,250
111	Taxes on Payroll	2,676	1,784	1,561	2,230	1,784
112	Medical Insurance Benefits	19,500	19,500	19,500	21,000	
113	Calpers Retirement Benefits	7,300	7,300	7,400	7,400	7,400
114	Conference/Conventions/Training/Seminars	34	400	1,278	500	126
115	TOTAL PERSONNEL EXPENSE:	98,027	103,095	101,985	108,316	78,082
116						
117	OFFICE EXPENSE					
118	Office Supplies	1,569	1,000	1,200	750	1,000
119	Office Equipment/ Rental/Maintenance Agreements	2,519	1,990	1,837	1,645	1,000
120	Postage & Freight	2,100	400	2,100	2,100	2,100
121	Taxes on Property	0	0	0	0	0
122	Telephone/Answering Service/Cell	2,000	2,000	2,000	2,000	2,000
123	Dues & Subscriptions (ACWA/CSDA)	124	239	1,449	347	145
124	Printing, Publications & Notices	698	0	322	400	200
125	Uniforms	540	540	540	550	550
126	OSHA Requirements/Emergency preparedness	291	108	300	300	259
127	TOTAL OFFICE EXPENSE:	9,842	6,277	9,748	8,092	7,254
128						
129	UTILITIES EXPENSE					
130	Pumping-Electricity	20,518	21,488	23,000	23,721	24,000
131	Office/Shop Utilities	100	100	100	100	100
133	TOTAL UTILITIES EXPENSE:	20,618	23,780	23,100	23,821	24,100
134						
135	GROUNDWATER MANAGEMENT EXPENSE					
136	SGMA GSP Costs	25,500	26,000	26,000	26,000	26,000
137	Prop 1 Grant Expense	5,000	5,000	5,000	5,000	5,000
139	TOTAL GWM EXPENSE:	30,500	23,645	31,000	31,000	31,000
140						
141	TOTAL EXPENSES:	217,956	419,876	225,248	229,939	207,624
142	CASH BASIS ADJUSTMENTS					
143	Decrease (Increase) in Accounts Payable					
144	Increase (Decrease) in Inventory					
145	Other Cash Basis Adjustments-CSD refunds					
146	TOTAL CASH BASIS ADJUSTMENTS:					
147						
148	TOTAL OPERATING EXPENSES PAID:	217,956	419,876	225,248	229,939	207,624
149						
150	UNEXPENDED DEBT PROCEEDS:	(200,000)	(200,000)	(402,000)	(402,000)	(602,000)
151						
152	TOTAL EXPENSES AND UNEXPENDED DEBT PROCEEDS:	17,956	219,876	(176,752)	(172,061)	(394,376)
153						
154	NET OPERATING INCOME:	118,026	(117,553)	118,010	190,448	148,057

	C	AC	AD	AE	AF
1	BWD	6/19/2018			
2	BUDGET CASH FLOW	ADOPTED	Actual	Projected	
3	2018-2019	BUDGET	October	October	Difference
4		2018-2019	2018	2018	Explanations
155					
156	CIP PROJECTS				
157	Water				
159	Operating Cash Funded	342,000		31,000	
160	Debt Funded	602,000			
161	Grant Funded	285,000	0		
162	TOTAL WATER CIP:	1,209,000	-	31,000	
163	Sewer				
164	Operating Cash Funded		0		
165	Debt Funded	150,000	0		
166	Grant Funded	0	0		
167	TOTAL SEWER CIP:	150,000	0	-	
168					
169	TOTAL CIP EXPENSES:	1,359,000	0	31,000	
170					
171	CASH RECAP				
172	Cash beginning of period	4,570,637	4,789,783	5,030,713	
173	Operating Income	822,296	(719,110)	138,894	
174	Total Non O&M Cash Funded Expenses	-342,000	0	(31,000)	
175	CASH RESERVES AT END OF PERIOD	5,050,933	4,070,673	5,138,607	
176	FY Reserves Target	5,380,000	5,380,000	5,380,000	
177	Reserves Surplus/(Shortfall)	-329,067	(1,309,327)	(241,393)	
178					
179					
180					
181					

	C	AG	AH	AI	AK	AL	AM
1	BWD						
2	BUDGET CASH FLOW	Actual	Actual YTD	Projected	Projected	Projected	Projected
3	2018-2019	YTD	and Projected	2018-2019	November	December	January
4		2018-2019	2018-2019	2018-2019	2018	2018	2019
155							
156	CIP PROJECTS						
157	Water						
159	Operating Cash Funded	32,729	342,000	309,271	-	50,000	50,000
160	Debt Funded	-	602,000	602,000			
161	Grant Funded	-	265,000	265,000		265,000	
162	TOTAL WATER CIP:	32,729	1,209,000	1,176,271	0	315,000	50,000
163	Sewer						
164	Operating Cash Funded	-		0			
165	Debt Funded	-	150,000	150,000			
166	Grant Funded	-	-	0			
167	TOTAL SEWER CIP:	-	150,000	150,000	-	-	-
168							
169	TOTAL CIP EXPENSES:	32,729	1,359,000	1,326,271	0	315,000	50,000
170							
171	CASH RECAP						
172	Cash beginning of period	4,789,783	4,070,673	4,070,673	4,070,673	4,213,632	4,517,576
173	Operating Income	(686,381)	395,829	1,102,799	142,959	353,944	148,908
174	Total Non O&M Cash Funded Expenses	(32,729)	(342,000)	(309,271)	0	(50,000)	(50,000)
175	CASH RESERVES AT END OF PERIOD	4,070,673	4,124,503	4,864,201	4,213,632	4,517,576	4,616,484
176	FY Reserves Target	5,380,000	5,380,000	5,380,000	5,380,000	5,380,000	5,380,000
177	Reserves Surplus/(Shortfall)	(1,309,327)	(1,255,497)	(515,799)	(1,166,368)	(862,424)	(763,516)
178							
179							
180							
181							

	C	AN	AO	AP	AQ	AR
1	BWD					
2	BUDGET CASH FLOW	Projected	Projected	Projected	Projected	Projected
3	2018-2019	February	March	April	May	June
4		2019	2019	2019	2019	2019
155						
156	CIP PROJECTS					
157	Water					
159	Operating Cash Funded	50,000	40,000	40,000	40,000	39,271
160	Debt Funded	200,000		202,000		200,000
161	Grant Funded					
162	TOTAL WATER CIP:	250,000	40,000	242,000	40,000	239,271
163	Sewer					
164	Operating Cash Funded					
165	Debt Funded	150,000				
166	Grant Funded					
167	TOTAL SEWER CIP:	150,000	-	-	-	-
168						
169	TOTAL CIP EXPENSES:	400,000	40,000	242,000	40,000	239,271
170						
171	CASH RECAP					
172	Cash beginning of period	4,616,484	4,684,510	4,526,957	4,604,967	4,755,415
173	Operating Income	118,026	(117,553)	118,010	190,448	148,057
174	Total Non O&M Cash Funded Expenses	(50,000)	(40,000)	(40,000)	(40,000)	(39,271)
175	CASH RESERVES AT END OF PERIOD	4,684,510	4,526,957	4,604,967	4,755,415	4,864,201
176	FY Reserves Target	5,380,000	5,380,000	5,380,000	5,380,000	5,380,000
177	Reserves Surplus/(Shortfall)	(695,490)	(853,043)	(775,033)	(624,585)	(515,799)
178						
179						
180						
181						



TREASURER'S REPORT October, 2018

Bank Balance	Carrying Value	Fair Value	% of Portfolio				Valuation Source
			Current Actual	Rate of Interest	Maturity		

Cash and Cash Equivalents:

Demand Accounts at CVB/LAIF

General Account/Petty Cash	\$ 4,179,738	\$ 4,037,562	\$ 4,037,562	42.07%	0.00%	N/A	CVB
Payroll Account	\$ 11,764	\$ 11,463	\$ 11,463	0.12%	0.00%	N/A	CVB
MMA (Bond Funds)	\$ 5,525,662	\$ 5,525,662	\$ 5,525,662	57.58%	1.01%	N/A	CVB
LAIF	\$ 21,648	\$ 21,648	\$ 21,648	0.23%	2.16%	N/A	LAIF

Total Cash and Cash Equivalents	\$ 9,738,812	\$ 9,596,335	\$ 9,596,335	100.00%			
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Facilities District No. 2017-1A-B

Special Tax Bond- Rams Hill -US BANK	\$ 32,279	\$ 32,279	\$ 32,279				
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Total Cash, Cash Equivalents & Investments	\$ 9,771,091	\$ 9,628,614	\$ 9,628,614				
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Cash and investments conform to the District's Investment Policy statement filed with the Board of Directors on July 19, 2018

Cash, investments and future cash flows are sufficient to meet the needs of the District for the next six months.

Sources of valuations are Umpqua Bank, LAIF and US Trust Bank.

Kim Pitman, Administration Manager



To: BWD Board of Directors
 From: Kim Pitman
 Subject: Consideration of the Disbursements and Claims Paid
 Month Ending October, 2018

Vendor disbursements paid during this period: **\$ 239,950.33**

Significant items:

San Diego Gas & Electric	\$	29,793.94
Medical Health Benefits	\$	19,933.37
CalPERS	\$	6,109.28
CSD Rebates	\$	2,292.96
Workers Comp insurance	\$	4,119.77

Capital Projects/Fixed Asset Outlays:

Western Pump-Unleaded Fuel Tank APCD upgrades	\$	7,042.01
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Total Professional Services for this Period:

Best Best & Krieger	Legal-general	\$	7,977.00
	GWM	\$	8,088.20
Squarmilner-Audit	Audit	\$	5,665.00
Brian Brady	GWM	\$	5,187.50
	General	\$	2,312.50
LeSar Development	Grant-SDAC	\$	3,900.00
Environmental Navigation Services	Grant	\$	39,547.50
BNBuilders-Library/Sheriff Station-Construction Deposit	Reimbursemen	\$	50,955.94

Payroll for this Period:

Gross Payroll	\$	74,192.02
Employer Payroll Taxes and ADP Fee	\$	1,292.60
Total	\$	75,484.62

Accounts Payable

Board Report
October 2018



Check No	Vendor No	Vendor Name	Check Date
32784	3035	ACWA / JPIA PROGRAM INSURANCE	10/29/2018
32785	9521	AdvizeX Technologies,LLC	10/29/2018
32786	1266	AFLAC	10/29/2018
32841	11031	Alicia Wszelaki	11/13/2018
32807	1001	AMERICAN LINEN INC.	11/06/2018
32826	61	AT&T MOBILITY	11/13/2018
32795	9529	AT&T-CALNET 3	10/29/2018
32847	9255	BABCOCK LABRATORIES	11/20/2018
32827	10884	BEST BEST & KRIEGER ATTORNEYS AT LAW	11/13/2018
32787	11025	BNBuilders	10/29/2018
32808	10900	BORREGO AUTO PARTS & SUPPLY CO	11/06/2018
32828	1003	BORREGO SPRINGS BOTTLED WATER	11/13/2018
32788	1037	BORREGO SUN	10/29/2018
32848	10903	BRIAN J. BRADY & ASSOCIATES	11/20/2018
32792	1222	DEBBIE MORETTI	10/29/2018
32842	96	DISH	11/15/2018
32810	1094	EMPIRE SOUTHWEST	11/06/2018
32830	10907	ENVIRONMENTAL NAVIGATION SERVICES, INC	11/13/2018
32811	9579	GREEN DESERT LANDSCAPE	11/06/2018
32831	1136	HOME DEPOT CREDIT SERVICES	11/13/2018
32832	11021	J & T Tire and Auto	11/13/2018
32829	1022	JAMES HORMUTH DE ANZA TRUE VALUE	11/13/2018
32840	11030	Jason Herald	11/13/2018
32833	65	JC LABS & MONITORING SERVICE	11/13/2018
32818	10852	JEROME C. ROLWING	11/06/2018
32789	9385	JOHNSON CONTROLS SECURITY SOLUTIONS	10/29/2018
32819	11029	KENNETH A SMITH	11/06/2018
32790	10873	KESSLINGS KITCHEN	10/29/2018
32834	10889	LESAR DEVELOPMENT CONSULTANTS	11/13/2018
32804	11024	Lyman Eugene	10/29/2018
32812	9771	MANUEL MARIN	11/06/2018
32809	1066	MANUEL RODRIGUEZ DE ANZA READY MI	11/06/2018
32806	11022	Mary Marchese	10/29/2018
32791	1216	McCALLS METERS,INC	10/29/2018
32813	1216	McCALLS METERS,INC	11/06/2018
32782	1000	MEDICAL ACWA-JPIA	10/29/2018
32835	93	MRC SMART TECHNOLOGY SOLUTIONS	11/13/2018
32814	10891	NEOFUNDS	11/06/2018
32797	1208	PACIFIC PIPELINE SUPPLY INC	10/29/2018
32843	1208	PACIFIC PIPELINE SUPPLY INC	11/15/2018
32802	11023	Paulette Ache	10/29/2018
32816	9633	RAMONA DISPOSAL SERVICE	11/06/2018
32817	1114	ROGELIO MARTINEZ	11/06/2018
32798	3007	SAN DIEGO COUNTY TREASURER	10/29/2018
32799	1065	SAN DIEGO GAS & ELECTRIC	10/29/2018
32836	1065	SAN DIEGO GAS & ELECTRIC	11/13/2018

32814	10891	NEOFUNDS	11/06/2018	2,219.31
32797	1208	PACIFIC PIPELINE SUPPLY INC	10/29/2018	1,606.00
32843	1208	PACIFIC PIPELINE SUPPLY INC	11/15/2018	629.65
32802	11023	Paulette Ache	10/29/2018	355.42
32816	9633	RAMONA DISPOSAL SERVICE	11/06/2018	3,604.51
32817	1114	ROGELIO MARTINEZ	11/06/2018	122.49
32798	3007	SAN DIEGO COUNTY TREASURER	10/29/2018	2,382.62
32799	1065	SAN DIEGO GAS & ELECTRIC	10/29/2018	26,261.07
32836	1065	SAN DIEGO GAS & ELECTRIC	11/13/2018	3,532.87
32805	11026	Sheri Krushensky	10/29/2018	355.42
32820	10853	SQUARMILNER	11/06/2018	5,665.00
32844	1059	STAPLES CREDIT PLAN	11/15/2018	1,166.36
32821	1233	SUNSET ELECTRIC POWER	11/06/2018	2,555.00
32803	11027	Susan Dewey	10/29/2018	233.11
32837	9106	T.S. INDUSTRIAL SUPPLY	11/13/2018	493.92
32793	10885	THE SOCO GROUP, INC.	10/29/2018	965.39
32800	10885	THE SOCO GROUP, INC.	10/29/2018	936.25
32845	3000	U.S.BANK CORPORATE PAYMENT SYS	11/15/2018	1,672.81
32838	1023	UNDERGROUND SERVICE ALERT	11/13/2018	14.95
32822	10847	USA COMMUNICATIONS	11/06/2018	240.94
32794	9439	USABBLUEBOOK	10/29/2018	648.37
32801	9439	USABBLUEBOOK	10/29/2018	840.32
32846	1100	VERIZON WIRELESS	11/15/2018	159.48
32815	1623	WENDY QUINN	11/06/2018	200.00
32823	74	WESTERN PUMP, INC	11/06/2018	7,042.01
32839	11032	William Bennett	11/13/2018	233.11
32824	1064	WYMORE,INC.INDUSTRIES	11/06/2018	532.05
32825	92	XEROX FINANCIAL SERVICES	11/06/2018	377.00
Report Total (66 checks):				239,950.33



Balance sheet continued

	BALANCE SHEET October 31, 2018 (unaudited)	BALANCE SHEET September 30, 2018 (unaudited)	MONTHLY CHANGE (unaudited)
LIABILITIES			
CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS			
Accounts Payable	\$ 117,542.47	\$ 940,056.93	\$ (822,514.46)
Accrued expenses	\$ 147,386.12	\$ 147,386.12	\$ -
CSD Refund Payable	\$ 51,745.41	\$ 58,808.37	\$ (7,062.96)
Bond funded CIP Expenses	\$ -	\$ (351,000.00)	\$ 351,000.00
Deposits	\$ 17,303.26	\$ 21,103.26	\$ (3,800.00)
TOTAL CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS	\$ 333,977.26	\$ 816,354.68	\$ (482,377.42)
CURRENT LIABILITIES PAYABLE FOM RESTRICTED ASSETS			
Debt Service:			
Accounts Payable to CFD 2017-1	\$ 32,278.61	\$ 30,704.56	\$ 1,574.05
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	\$ 32,278.61	\$ 30,704.56	\$ 1,574.05
LONG TERM LIABILITIES			
2008 Certificates of Participation-ID 4 infrastructure	\$ 1,982,000.00	\$ 1,982,000.00	\$ -
2018 Certificates of Participation to fund CIP Projects	\$ 5,235,000.00	\$ 5,586,000.00	\$ (351,000.00)
BBVA Compass Bank Loan	\$ 727,590.17	\$ 727,590.17	\$ -
Net Pension Liability-CalPERS	\$ 819,059.00	\$ 819,059.00	\$ -
Deferred Inflow of Resources-CalPERS	\$ 163,076.00	\$ 163,076.00	\$ -
TOTAL LONG TERM LIABILITIES	\$ 8,926,725.17	\$ 9,277,725.17	\$ (351,000.00)
TOTAL LIABILITIES	\$ 9,292,981.04	\$ 10,124,784.41	\$ (831,803.37)
FUND EQUITY			
Contributed equity	\$ 9,611,814.35	\$ 9,611,814.35	\$ -
Retained Earnings:			
Unrestricted Reserves/Retained Earnings	\$ 5,628,370.33	\$ 5,492,613.14	\$ 135,757.19
Total retained earnings	\$ 5,628,370.33	\$ 5,492,613.14	\$ 135,757.19
TOTAL FUND EQUITY	\$ 15,240,184.68	\$ 15,104,427.49	\$ 135,757.19
TOTAL LIABILITIES AND FUND EQUITY	\$ 24,533,165.72	\$ 25,229,211.90	\$ (696,046.18)




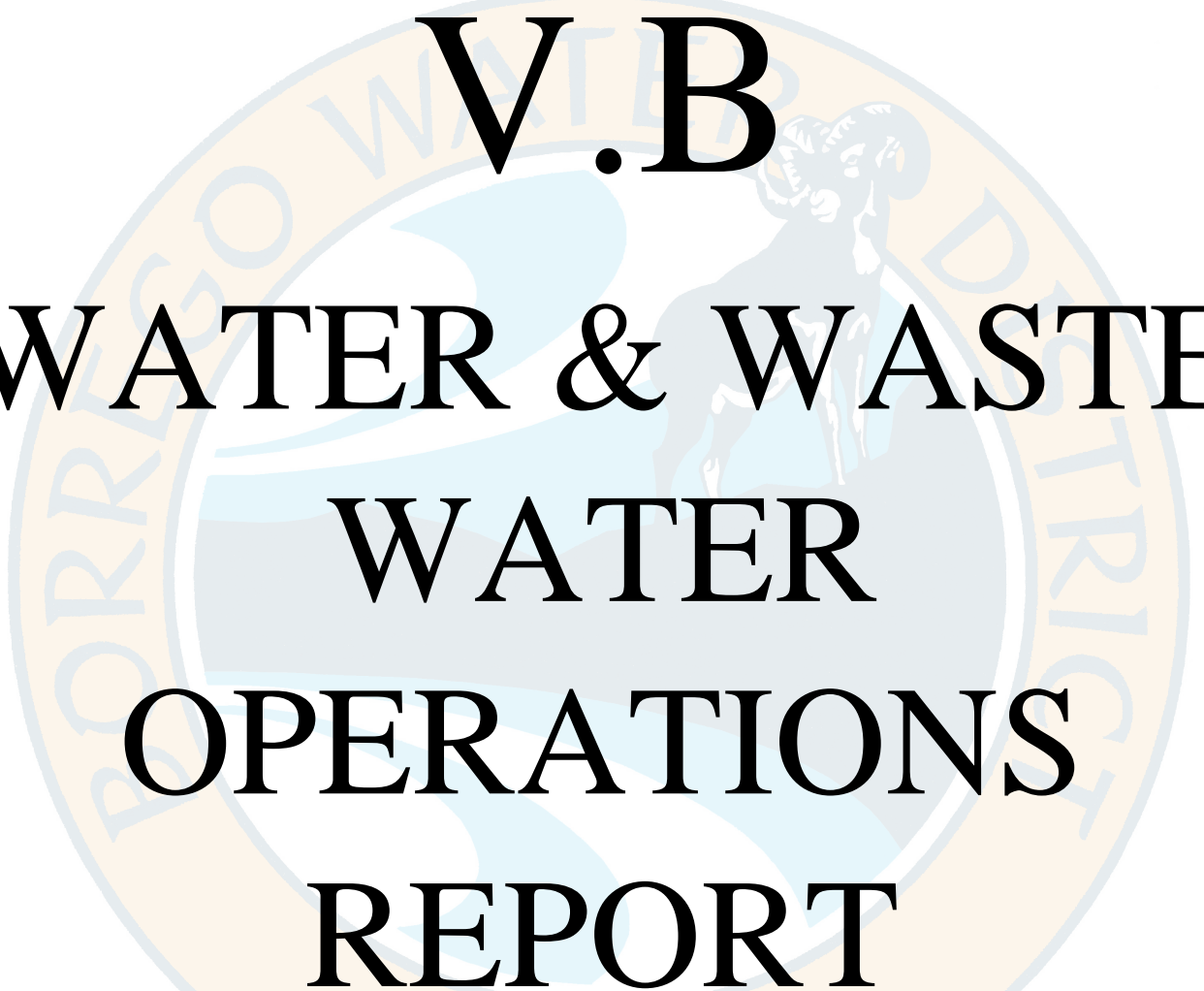
ASSETS	BALANCE SHEET October 31, 2018 (unaudited)	BALANCE SHEET September 30, 2018 (unaudited)	MONTHLY CHANGE (unaudited)
CURRENT ASSETS			
Cash and cash equivalents	\$ 4,070,673.53	\$ 4,789,783.36	\$ (719,109.83)
Accounts receivable from water sales and sewer charges	\$ 544,205.29	\$ 534,296.02	\$ 9,909.27
Inventory	\$ 122,970.88	\$ 124,088.42	\$ (1,117.54)
Prepaid expenses	\$ 31,826.98	\$ 31,826.98	\$ -
TOTAL CURRENT ASSETS	\$ 4,769,676.68	\$ 5,479,994.78	\$ (710,318.10)
RESTRICTED ASSETS			
Debt Service:			
Deferred amount of COP Refunding	\$ 92,538.01	\$ 92,538.01	\$ -
Deferred Outflow of Resources-CalPERS	\$ 356,748.00	\$ 356,748.00	\$ -
Total Debt service	\$ 449,286.01	\$ 449,286.01	\$ -
Trust/Bond funds:			
Investments with fiscal agent -CFD 2017-1	\$ 32,278.61	\$ 30,704.56	\$ 1,574.05
2018 Certificates of Participation to fund CIP Projects	\$ 5,525,661.56	\$ 5,520,970.58	\$ 4,690.98
Total Trust/Bond funds	\$ 5,557,940.17	\$ 5,551,675.14	\$ 6,265.03
TOTAL RESTRICTED ASSETS	\$ 6,007,226.18	\$ 6,000,961.15	
UTILITY PLANT IN SERVICE			
Land	\$ 2,251,663.65	\$ 2,251,663.65	\$ -
Flood Control Facilities	\$ 4,287,340.00	\$ 4,287,340.00	\$ -
Capital Improvement Projects	\$ 284,018.25	\$ 276,011.36	\$ 8,006.89
Sewer Facilities	\$ 6,175,596.99	\$ 6,175,596.99	\$ -
Water facilities	\$ 11,621,513.88	\$ 11,621,513.88	\$ -
General facilities	\$ 1,006,881.07	\$ 1,006,881.07	\$ -
Equipment and furniture	\$ 585,522.57	\$ 585,522.57	\$ -
Vehicles	\$ 609,514.43	\$ 626,779.55	\$ (17,265.12)
Accumulated depreciation	\$ (13,250,787.98)	\$ (13,268,053.10)	\$ (17,265.12)
NET UTILITY PLANT IN SERVICE	\$ 13,571,262.86	\$ 13,563,255.97	\$ 8,006.89
OTHER ASSETS			
Water rights -ID4	\$ 185,000.00	\$ 185,000.00	\$ -
TOTAL OTHER ASSETS	\$ 185,000.00	\$ 185,000.00	
TOTAL ASSETS	\$ 24,533,165.72	\$ 25,229,211.90	\$ (696,046.18)



**GROUNDWATER MANAGEMENT
ACCOUNTING
FY 2019
Acct #10154800**

	A	C	D	E	F	G	I	J	L	M	N	O	P
1													
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15				Wendy Quinn	Town Hall/	One Eleven		Conf/Classes	Water Advisory	Brian Brady		Monthly	FYE 2019
16	Month	BBK	DUDEK	Minutes	Advertising/Postage	Water Services	Staff Allocation	Misc.	Committee-Lunches		Babcock	Total	Total
17													
18	Jul-18			250.00			5,000.00		798.36			6,048.36	6,048.36
19	Aug-18	8,862.29	15,079.83	112.50			7,417.44	632.49	175.00		720.00	32,999.55	39,047.91
20	Sep-18	19,643.70		112.50	1,741.35		7,343.32		385.57			29,226.44	68,274.35
21	Oct-18	8,088.20		200.00	140.00	462.00	7,876.27		352.23	5,187.50		22,306.20	90,580.55
22	Nov-18											-	90,580.55
23	Dec-18											-	90,580.55
24	Jan-19											-	90,580.55
25	Feb-19											-	90,580.55
26	Mar-19											-	90,580.55
27	Apr-19											-	90,580.55
28	May-19											-	90,580.55
29	Jun-19											-	90,580.55
30													
31	Total	36,594.19	15,079.83	675.00	1,881.35	462.00	27,637.03	632.49	1,711.16	5,187.50	720.00	90,580.55	90,580.55

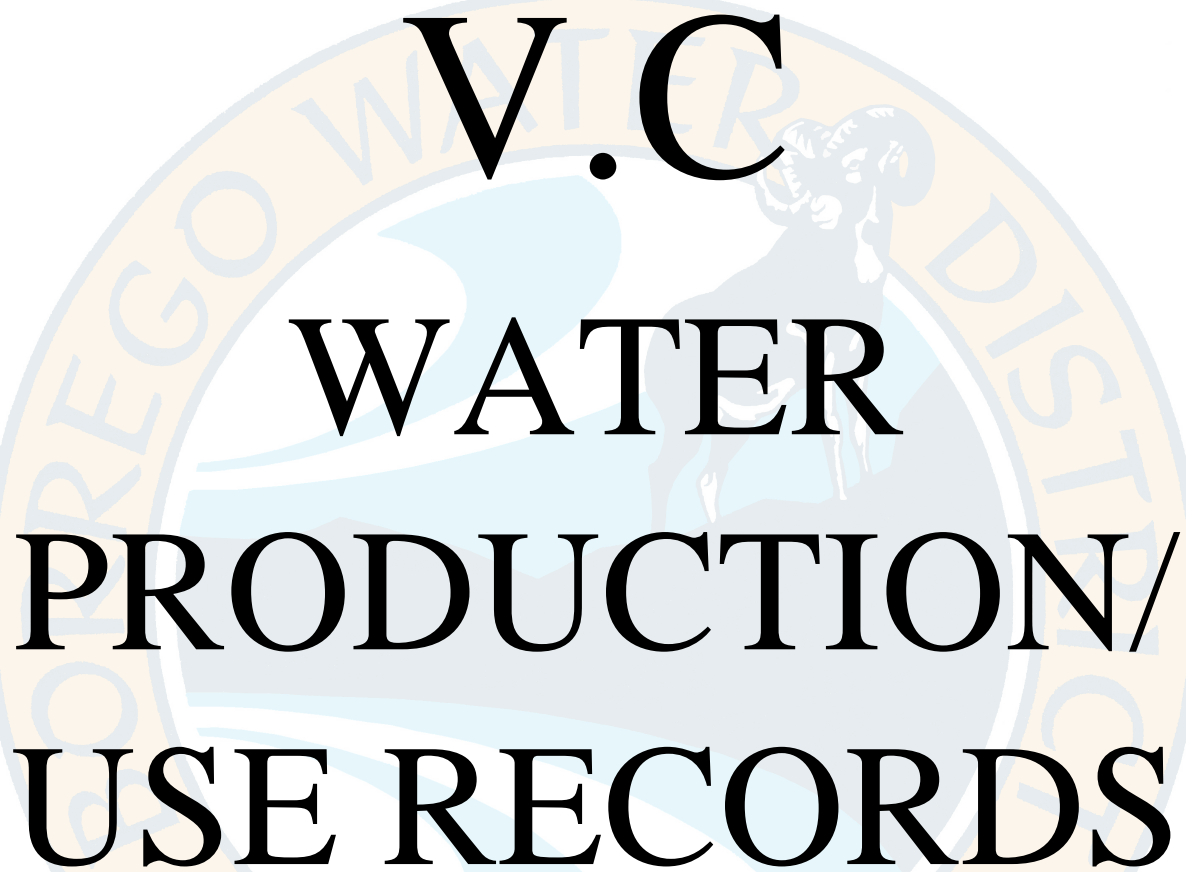
	A	B	C	D	E	F	G	H	I	J	K
4						PROP 1 GRANT ACCOUNTING FY 2019 Acct #10117170					
5											
6											
7											
8											
9											
10											
11											
12											
13				North Gardens					Dynamic	Environmental	
14	Month		Management	DUDEK	COUNTY	LE SAR	TRAC	Engineering	Navigation	Total	Monthly
15											Total
16	09/15/15	Justification Grant Projects	1,552.50							1,552.50	
17	09/30/15	Jane Gray-Grant Application		95.00						95.00	1,647.50
18	10/31/15	Notice of Exemption			50.00					50.00	50.00
19	12/16/15	Jane Gray-Grant Application		760.00						760.00	
20	12/16/15	Jane Gray-Grant Application		380.00						380.00	
21	12/29/15	Jane Gray-Grant Application		2,438.75						2,438.75	3,578.75
22	03/01/16	Notice of Exemption			200.00					200.00	
23	03/31/16	Jane Gray-Grant Application		53.75						53.75	253.75
24	04/29/16	William Kubran-WTF funding review		2,980.00						2,980.00	2,980.00
25	05/27/16	William Kubran-WTF funding review		1,260.00						1,260.00	1,260.00
26	12/30/16	William Kubran-WTF funding review		1,330.00						1,330.00	1,330.00
27	06/24/17	William Kubran-WTF funding coordination		385.00						385.00	385.00
28	09/27/17	SDAC Engagement				20,000.00				20,000.00	20,000.00
29	10/31/17	SDAC Engagement				17,269.80				17,269.80	17,269.80
30	12/31/17	SDAC Engagement				7,730.20				7,730.20	7,730.20
31	05/31/18	SDAC Engagement				14,500.00				14,500.00	
32	05/31/18	SDAC Engagement				13,000.00				13,000.00	
33	05/31/18	Prepare TMF					3,575.75			3,575.75	31,075.75
34	06/30/18	Grant Task 5.1 & 5.2		7,063.75						7,063.75	
35	06/30/18	SDAC engagement				3,250.00				3,250.00	
36	06/30/18	Technical support							13,500.00	13,500.00	
37	06/30/18	Technical support							9,500.00	9,500.00	33,313.75
38	07/31/18	BWD Diesel Engine & Tank Rehab						41,670.00		41,670.00	
39	07/31/18	Technical support							16,950.00	16,950.00	
40	07/31/18	Review Grant Information					1,487.50			1,487.50	
41	07/31/18	SDAC engagement				6,500.00				6,500.00	66,607.50
42	09/30/18	Water model update/Wwell ranking system		17,267.50						17,267.50	
43	09/30/18	SDAC Engagement				31,650.00				31,650.00	
44	09/30/18	Grant review					4,171.25			4,171.25	53,088.75
45	10/31/18	Prop 1 Grant Task 2							39,547.50	39,547.50	
46	10/31/18	SDAC Engagement				3,900.00				3,900.00	43,447.50
47											
48	Total		1,552.50	34,013.75	250.00	117,800.00	9,234.50	41,670.00	79,497.50	284,018.25	284,018.25



V.B
WATER & WASTE
WATER
OPERATIONS
REPORT

Will Be Presented at the January 2019

Regular Board Meeting



**V.C.
WATER
PRODUCTION/
USE RECORDS**

*Will Be Presented at the January 2019
Regular Board Meeting*



**V. D
GENERAL
MANAGER
REPORT**

Borrego Water District
General Managers Organizational Goals and Objectives
Fiscal Year 2018-19

1. **GROUNDWATER SUSTAINABILITY PLAN:** Work in conjunction with the County of San Diego, State of California, Borrego Basin GSP Advisory Committee and other stakeholder groups to prepare an implementable GSP within the proposed timeline.
 - A. Organize/Participate in Core Team and Advisory Committee activities: Jul. 2018 – Jun. 2019
 - a. Support AC Constituent Groups and outside organizations, as needed

Current Status: During October, Staff attended one Core Team Face to Face meeting and various related meeting and phone calls

Next Steps: The Core Team and Legal Counsel is providing its final comments into the Draft Plan on Chapters 1, 3 and 4. Follow up meetings will be held with the County to review each Agency’s comments and create the Final Draft that will be released for public review in late 2018 or early 2019.

Schedule: Ongoing through Jan 2020

Additional Resources Used: BWD and County Core Teams, Dudek

Additional Resources Needed: Water Quality Monitoring Network, GSP Compliance - Land/Water Acquisition Strategy,

- b. Expand Water Quality Monitoring Network
 - i. Identify data gaps, and expand network in areas needed, contact well owners and request participation

Current Status: All 5 wells recently added to the Network were scheduled to be sampled on Nov 13th (BS Elementary, Road Runner and De Anza CC). Unfortunately, a problem accessing the State Park wells delayed the sampling. Dudek was being told they needed a Permit to sample the well, which has never been required before. The issue is being resolved and a new sampling day being scheduled for the week of Dec 10th. In addition, Staff met with John Petersen and Rebecca Falk on John’s vision for future sampling, see below.

Next Steps: John Petersen feels more wells in the North Management Area are needed and he is recommending the use of Jay Jones to help expand the network. Staff and Mr. Jones are working on a proposal for possible future Board consideration.

Schedule: Ongoing thru GSP Implementation

Additional Resources Used: Petersen/Ehrlich is site identification assistance

Additional Resources Needed: Outside assistance to expand the network, possibly Jay Jones

- c. Provide input into GSP Following Plan
 - i. Viking Ranch Assessment

Current Status: A comprehensive report was made on the September 18th Agenda, and the issue of Following Standards was also provided in the packet for the October 24th Agenda. Representatives from Dudek recently informed BWD there may be an opportunity to use Viking Ranch as an offsite mitigation location, which could provide a funding source to remove the barriers and allow for natural drainage to occur and possibly other improvements to the property. More details to follow in the coming weeks

Next Steps: Staff will continue to investigate the mitigation concept

Schedule: Ongoing thru CEQA process

Additional Resources Used: Engelke, Rolwing, BWD Board/Staff

Additional Resources Needed: Dudek

- d. Determine most beneficial GSP EIR approval strategy and support County in the effort

Current Status: GSP is being reviewed to eliminate any “CEQA Triggers” and CEQA review will begin soon after GSP approval by GSA Board.

Next Steps: Continue to work with BWD Legal Counsel, County and Dudek on EIR development strategy and continue to review Draft GSP Chapters now to avoid CEQA triggers in the document.

Schedule: Strategy will be determined before adoption of the GSP (Jan 2020).

Additional Resources Used: BWD Legal Counsel, County Staff, Dudek

Additional Resources Needed: None

- e. Discounted Cash Flow Model – Land Valuation Tool

Current Status: Dudek has completed the DFC model

Next Steps: Use on possible future land acquisitions for GSP Compliance.

Schedule: Coincide with future land acquisition activities

Additional Resources Used: Dudek, Raftellis

Additional Resources Needed: None

- 2. GRANTS/BONDS/PUBLIC INITIATIVES: Maximize the use of alternative funding sources as an alternative to BWD Ratepayer revenues.

- A. Grants Tentatively Approved: SDAC outreach grant from DWR - Manage Contracts: Jun. 2018 – Jul. 2019

- a. Le Sar Development Consultants: Public Outreach

- i. Develop Materials, Participate in Outreach Events, Assist in Acquiring Survey/Data, Business Survey Distribution and Data Collection

Current Status: An outreach meeting was held in Nov with over 100 participants to discuss the Community’s concerns with the GSP. This is the last of the initial phase of identifying the Community’s concerns and the future meetings will focus on the content of the GSP and related issues.

Next Steps: Support Le Sar in contacting local business owners. The next Public Meeting is being planned for early 2019 following release of the Draft GSP.

Schedule: Thru GSP Approval in 2020.

Additional Resources Used: Le Sar, Ad Hoc Committee (Falk, Johnson), Deichler, Jones, BWD Staff

Additional Resources Needed: None

- b. Dr Jay Jones: Socioeconomic Modeling and Impact of GSP on BWD infrastructure

- i. Submit info from surveys, provide data and other advice/input into model design, evaluate results

Current Status: BWD and Le Sar are providing data on socioeconomics and Jones is continuing work on BWD infrastructure impacts. Jones has provided a update on key issues planned for the 12-11-18 BWD Board Meeting.

Next Steps: Continue to support Jones and provide input to socioeconomic and BWD infrastructure questions.

Schedule: Thru GSP Approval in 2020.

Additional Resources Used: Le Sar, Ad Hoc Committee (Falk, Johnson), Deichler, Jones, BWD Staff

Additional Resources Needed: None

- c. Dudek: Investigative Well Drilling for Replacement Well #2

- i. Site evaluation for Well #2 is underway.

Current Status: A zone of interest has been identified in an area likely to produce a well with adequate quantity and quality. Hydraulic Model runs are being performed by Dudek to determine the impact of adding a well in this area.

Next Steps: Run hydrologic model to determine impact of well on BWD operations.

Schedule: Site selection is planned to occur in Dec 2018.

Additional Resources Used: Dudek, BWD Staff, O and I Committee

Additional Resources Needed: Well driller

- d. Dudek: Meter Installation Financial Assistance: DWR Prop One Grant

- i. Assist consultant in working with local participants in the program

Current Status: Participants have been identified

Next Steps: Estimate cost for installation of meters

Schedule: Site selection is planned to occur in Jan 2019

Additional Resources Used: Dudek,

Additional Resources Needed: None

- e. Receive approvals from BWD Board on Reimbursement Agreement with County of SD for SDAC Grant proceeds – Aug. 2018

Current Status/Next Steps: STILL Waiting for documents containing detailed Grant requirements from DWR to attach to Reimbursement Agreement from the Prop One Grant Program. BWD has made a request to Leanne Crow from the County for an update and Staff will share this info at the Board Meeting.

Schedule: As soon as the required information is received by BWD, estimated Jan 2019

Additional Resources Used: County Staff, BWD Legal Counsel, Core Team

Additional Resources Needed: None

- f. Assist Staff at Center for Collaborative Policy (CCP) with GSP AC and CT Facilitation Activities

- i. Liaison with Facilitator (Meagan Wylie) for meeting preparation, organization and other related activities

Current Status/Next Steps: Continue to work with CCP on agenda development and related services for Advisory Committee and Core Team events.

Schedule: Continue thru GSP Approval process (Jan 2020)

Additional Resources Used: Meagan Wylie, County, BWD Core Team, Dudek

Additional Resources Needed: None

- B. Manage Grant Applications for DWR water and SWRCB wastewater Grants

- a. Applications for two DWR Grants have been submitted for DWR/SWRCB Processing

Current Status: Grant applications for both the Wastewater and Water projects were submitted to State staff. Staff and Rick Alexander are working on responding to questions as soon as possible. The Board recently approved hiring two consultants to perform Biological and Archeological assessments.

Next Steps: Promptly answer any additional questions on the WWTP Application

Schedule: Ongoing

Additional Resources Used: Rick Alexander, BWD Staff and O & I Committee

Additional Resources Needed: Continue services of Rick Alexander

- C. Pursue other Grant Opportunities

- a. USDA, DWR Monitoring Well, EPA, Others

Current Status: Without losing focus on the existing Grant Applications, future grant opportunities are under review by staff and Rick Alexander. Funding land acquisition, water treatment and wastewater collection/treatment is a focus of this effort.

Next Steps: Staff and Rick Alexander are evaluating opportunities for various grants/loans and will update the Board in December.

Schedule: Ongoing

Additional Resources Used: Rick Alexander, BWD Staff and O & I Committee

Additional Resources Needed: Continue services of Rick Alexander

- D. BWD Bond - Capital Improvement Plan: BWD issues \$5.3 M in bonds in July 2017 for the construction of two replacement wells and a series of pipeline projects.

Current Status: Bid Documents for Phase One of the BWD Pipeline projects are on the streets and scheduled for a bid opening on December 10th. Design of Phase Two is underway and Phase Three will start after Phase II design is complete.

Next Steps: Open Bids on Phase One and review. Continue with design of Phase Two and Three

Schedule: Projects must be completed by July 2021

Additional Resources Used: Dynamic Engineering, Dudek, BWD Staff

Additional Resources Needed: None

- 3. OPERATIONS: Provide the oversight, as needed, and support management of the water and wastewater systems to meet or exceed all State and Federal standards in a safe environment for BWD employees.
 - A. Create structure for BWD Operations staff to be coordinated with CIP projects. Aug 2018

Current Status: Operations Staff is fully engaged in the design of Phase One of the BWD Pipeline Projects and Well Replacement Projects

Next Steps: Continue with planning of the well replacement and pipeline projects

Schedule: Projects must be completed by July 2021

Additional Resources Used: BWD Staff

Additional Resources Needed: None

- B. Develop new Budget and CIP Review Process
 - a. Evaluate existing Budget Format/Process – Revise as needed: Jan - Jun 2019

Current Status/Next Steps: Staff and Budget Committee will begin this process later in early 2019 following completion of audit and other finance related projects.

Schedule: April, to be ready for 2018-19 Budget Cycle

Additional Resources Used: Budget Committee

Additional Resources Needed: None

- C. Test Emergency Preparedness Plan with local groups (school, fire, businesses, County etc...)

Next Steps: Staff will develop a schedule for review of the Plan and update the Board at a future meeting.

Schedule: During first half of 2019

Additional Resources Used: BWD Staff

Additional Resources Needed: None

- D. Provide improved security for BWD computers, facilities including physical improvements and video cameras

Next Steps: Staff will develop a Plan and return in December and obtain written estimates if the Board concurs with the Plan

Schedule: During first half of 2019 so needs can be included in FY 2019-20 Budget

Additional Resources Used: BWD Staff, JPIA Consultants

Additional Resources Needed: None

E. Repair Flood Control Facility

Next Steps: Repairs Underway by BWD staff. Alan Aasche has extensive experience in this area and has taken the lead on the repairs.

Schedule: December 2018

Additional Resources Used: BWD Staff

Additional Resources Needed: None

F. Receive State Water Resources Control Board Discharge Permit for WasteWater Treatment Plant

Current Status/Next Steps: Staff and Joe C are waiting for any official correspondence on the issuance of a new Discharge Permit for BWD.

Schedule: Dependent upon SWRCB

Additional Resources Used: BWD Staff, JC Labs Consulting

Additional Resources Needed: None

G. Resolve Wastewater Treatment Plant odors in collection system

Current Status: With the repairs of the Town Center Sewer manholes, cleanout of the force main, re-installation of the weir and new operating procedures, significant progress has been made in improving system operations and controlling the odor issues. However, there are still times when odors are present.

Next Steps: Continue to monitor the situation and work with La Casa del Zorro on their grease handling systems.

Schedule: Ongoing

Additional Resources Used: BWD Staff, Dudek, JC Labs

Additional Resources Needed: None

H. Implement BWDs new Fats Oils and Grease (FOG) Policy

Current Status: Roy Martinez has been doing an excellent job implementing the new FOG program and grease collection barrels are now at all Food Service Establishments.

Next Steps: Following a few more months of implementation, staff may be recommending some changes to the FOG policy in early 2019. Staff is researching ways in which to enhance the enforcement powers for Roy, if needed.

Schedule: Ongoing

Additional Resources Used: BWD Staff, Dudek, JC Labs, County Health Dept.

Additional Resources Needed: None

I. Evaluate feasibility of well field solar power conversion

Current Status/Next Steps: Staff has received a proposal for well field conversion and it will be presented to O and I Committee and report to BWD Board in December

Schedule: First half of 2019 so any necessary budget expenses can be included

Additional Resources Used: BWD Staff, Solar Contractor on BWD offices, Lane Sharman

Additional Resources Needed: Independent Electrical Consultant

- J. Miscellaneous Projects: Lorch easement, Sunset sewer acceptance and future extension, time card review, monthly staff meetings

Lorch Current Status/Next Steps: BWD has received an appraisal on the Lorch property and will present it to the BWD Board in Jan with completion before March 2019.

Sunset Sewer Status/Next Steps: Bill Wright will appear in January to explain his request to extend the sewer system near the new library

Time Cards and Staff Meeting Status/Next Steps: BWD employees time cards now reflect the activity undertaken and staff meetings are regularly scheduled.

Evaluate Cyber Security at BWD Status/Next Steps: Staff has received a proposal from a JPIA vendor to perform various cyber related services. BWD staff is waiting for another proposal for comparative purposes.

- 4. BUDGET/FINANCE: Manage the financial assets of the District to provide the funds necessary for BWD Operations, Capital, Reserve Funds and Debt Service needs in a transparent manner.

- A. 2017-18 Audit – Interface with auditor, present documents to Board of Directors: Jul - Nov 2018

Current Status: Directors Brecht and Ehrlich recently participated in a call with BWD Auditors

Next Steps: Respond to Auditor inquiries and support Financial Statement development

Schedule: Audit information expected in December

Additional Resources Used: Audit Committee, Squar Miller Accounting

Additional Resources Needed: None

Miscellaneous:

Club Circle/Santiago Estates Reimbursements are continuing.

Mesquite Ranch fee waiver request: Letter was sent to Doug Wilson

COMPLETED GOALS/OBJECTIVES

- a. Monitor County of SD PSR Process - DONE

Current Status: Issue resolved at B of Supervisor meeting on 9-12.

Next Steps: Discuss various development related issues with the County Planners/Managers.

- b. Acquire Air Quality Monitoring System – ORDERED AND SHIPMENT SCHEDULED

Current Status: The equipment has been purchased and set for delivery to UCI in approx. 60 days

Next Steps: Ensure the equipment is sent to UCI as soon as it is received and installed.

Schedule: Equipment scheduled to be delivered by end of January

Additional Resources Used: Dr. Zender, Dave Garmon, UCI

Additional Resources Needed: None

- c. Participate in Baseline Pumping Allocation meetings – MEETING HELD AND CONCLUDED. FUTURE COMMENTS, IF ANY, TO BE RECEIVED IN PUBLIC REVIEW PROCESS OF GSP

Current Status: GM participated in BPA meeting for Road Runner Farms, Rams Hill and AAWARE with County and Dudek in Nov and individual meetings on the topic of BPA with De Anza, La Casa Del Zorro and Roadrunner/Springs.

Next Steps: All future comments on BPA will occur in the Public Comment period of the GSP review, currently planned for Jan/Feb 2019.

Schedule: All meetings have been held and future comment will occur via Public Comment on Draft GSP

Additional Resources Used: County Staff, Dudek

Additional Resources Needed: None

- d. Miscellaneous Projects Complete: GSA Expense Description – Done and forwarded to County Staff. – LIST OF REIMBURSEABLES SENT. CORE TEAMS TO MEET AND DISCUSS ON 12-18-18.
- e. Public Initiative: Scenario Planning for 2018 California Water Bond – Develop planning scenarios for both positive & negative election results – PROP FAILED. EVALUATE ALTERNATIVES
- f. 2018 BWD Bond Financing – Work with Consultants on finalizing \$5.5 M Bond Issue: Jul 2019. Next Steps: Implement Project Accounting System – DONE
- g. Club Circle Trash: The request to change trash service has been rescinded. - DONE
- h. Rams Hill LTCA: A proposal is being made to the BWD Board in Closed Session on 12-11 – PRESENTED TO BWD BOARD ON 12-11
- i. Employee training on new Purchasing Policy and Computer/Cyber Policy conducted - DONE