

Special Meeting of the Board of Directors

**9751 Merced Falls Road
October 21, 2016, at 3:00 p.m.**

Mission Statement: *The Lake Don Pedro CSD is dedicated to providing our customers with ample quantities of high quality water meeting all standards, in a fiscally responsible manner.*

AGENDA

- 1. CALL TO ORDER:** Presiding Officer: Establish Quorum, Pledge of Allegiance:

- 2. SPECIAL MEETING ACTION ITEMS**
 - a. Adoption of a Resolution Approving Unanticipated and Unbudgeted Expenditures for the Emergency Renovation and Restoration of the Water Treatment Plant Filters.
 - b. Adoption of a Resolution Approving an Emergency Declaration Regarding the Repair and Restoration of the Water Treatment Plant Filters in Accordance with California Public Contract Code §§ 22035 AND 22050.
 - c. Adoption of a Resolution Approving a Contract with ERS Industrial Services, Inc. for Completion of the Emergency Repair and Restoration of the Water Treatment Plant Filter #1.

- 3. ADJOURNMENT:**

Meeting agendas and written materials supporting agenda items, if produced, can be received by the public for free in advance of the meeting by any of the following options:

- A paper copy viewed at the District office, 9751 Merced Falls Rd., La Grange, CA 95329 during business hours or mailed pursuant to a written request and payment of associated mailing fees
- An electronic copy received by email. Note - a form requesting email delivery of agendas and/or meeting materials must be completed a minimum of one week in advance of the meeting
- Viewed on the Board page of the District's website
- A limited number of copies of agenda materials will also be available at the meeting

Americans with Disabilities Act Compliance: If you require special assistance to participate in Board Meetings, please contact the LDPCSD Board Secretary at (209) 852-2251 Ext. 2. Advance notification will enable the District to make reasonable arrangements to insure accessibility.

Lake Don Pedro Community Services District

Special Meeting of October 21th, 2016

AGENDA SUPPORTING DATA

2. SPECIAL MEETING ACTION ITEMS

- a. Adoption of a Resolution Approving Unanticipated and Unbudgeted Expenditures for the Emergency Renovation and Restoration of the Water Treatment Plant Filters.
- b. Adoption of a Resolution Approving an Emergency Declaration Regarding the Repair and Restoration of the Water Treatment Plant Filters in Accordance with California Public Contract Code §§ 22035 AND 22050.
- c. Adoption of a Resolution Approving a Contract with ERS Industrial Services, Inc. for Completion of the Emergency Repair and Restoration of the Water Treatment Plant Filter #1.

Recommended Motion

Staff recommends the following motions:

1. I move to adopt Resolution 2016-___ Approving Unanticipated and Unbudgeted Expenditures for the Emergency Renovation and Restoration of the Water Treatment Plant Filters
2. I move to adopt Resolution 2016-____, Approving an Emergency Declaration Regarding the Repair and Restoration of the Water Treatment Plant Filters in Accordance with California Public Contract Code §§ 22035 AND 22050
3. I move to adopt Resolution 2016-____, Approving a Contract with ERS Industrial Services, Inc. for Completion of the Emergency Repair and Restoration of the Water Treatment Plant Filter #1

Background

District operations staff has been troubleshooting problems with operations of the water filters for several months. The filter run, which is the time the filters can operate before needing to backwash, has been reducing significantly resulting in increased staff treatment plant operating time, as well as increased chemical, electricity and water consumption; and waste.

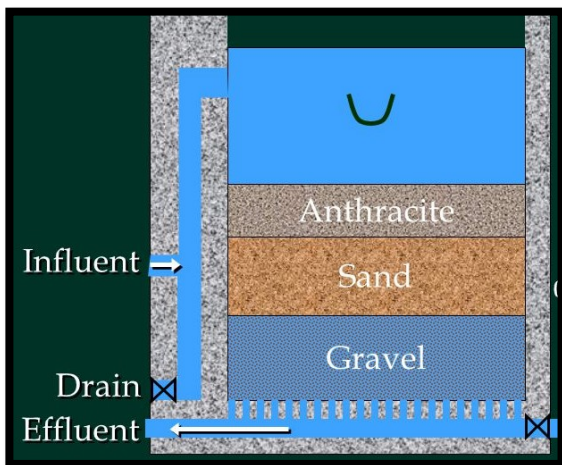


Figure 1

The District treatment system consists of four filters contained within two pressure vessels. During normal operation, water is pumped in the top of the filter and exits the bottom after passing through layers of inert media, filtered clean. With proper function of the filter, the water purifying media as shown in Figure 1 will last for many years based on the quality of the raw water, chemicals used, and regular maintenance. For the District, maintenance consists of routine visual inspections by operators, and more detailed media and function inspections conducted by filter contractors with specialized equipment. District staff can conduct limited visual inspections of the inside of the filters, where a portion of the piping can be seen and the surface of the

filter media observed. District staff inspection can reveal primarily piping system and interior coating failures as well as problems with the top layer of media such as mudball formation as shown in Figure 2; which typically indicates the need for a more detailed inspection by a filter specialist.

Attached hereto is a memorandum from District Engineer Elizabeth Binkley summarizing their experience with the history of the District's filters, maintenance performed and recommendations to proceed with the immediate renovation of the filter. As detailed in Binkley's memo, the filter media was replaced between 1998 and 2003, and I can personally attest that it was completed in 1998. After that first renovation, professional inspections were done every two years per industry standards through 2009 until they were discontinued. A filter inspection was scheduled for October 2016, at which time the current filter defects were discovered as further discussed below.



Figure 2

ERS Industrial Services was hired to perform a routine detailed inspection of the filters, and multiple critical problems were identified, including broken piping, clogged wash jets, rusted and deteriorated lateral couplings, and failed areas in the steel bulkhead wall separating the filter cells as shown in the photos below.



Broken Surface Wash Piping



Rusted effluent manifold couplings



Clogged Surface Wash Nozzles



Rusted Coatings and Pipe



Severe Rust Around pipe penetrations



Corrosion, Holes and missing Coatings at Bulkhead

As the media was determined to be completely fouled, ERS was initially contracted on an emergency basis to simply remove and replace the filter media. The attached media replacement scope of work included herein as Exhibit B. After complete removal of the media, the root cause of the hydraulic filtering problems and media failure was identified. ERS has also provided a turnkey proposal for renovation of the filter; attached hereto as Exhibit A.

We currently are operating on only one filter vessel, which is very risky and may fail fairly soon if the problem is not addressed. Operating only on one filter will jeopardize certain aspects of our regulatory compliance and can produce unreliable water quality and very high backwash water waste and associated costs. The failed filter must be repaired immediately; and the work will take two weeks if started today. And, due to the condition of the first filter, we can anticipate some level of similar repairs also needed in the second filter vessel.

Filter renovation was not included in the 2016/17 fiscal year budget. Staff recommends that the Raw Water Line Replacement Project in the amount of \$250,000 be held over until the 2017/18 fiscal year to provide funding adequate for the renovation of both filters. The attached resolution authorizes proceeding with the renovation of filter 1, with the cost of any necessary filter 2

renovations being presented separately to the Board at a future meeting following completion of filter 1 and inspection of filter 2.

Also included on this agenda are self explanatory resolutions declaring an emergency to allow the District to avoid the competitive bidding process; which would add approximately \$30,000 to the project costs and up to four months of planning and bidding time, and awarding the contract to ERS Industrial to allow for immediate start of construction. Staff has reviewed construction costs for similar projects in neighboring areas and has determined the proposed pricing to be comparable both in other ERS constructed projects, as well as media replacement projects completed by other similar contractors. ERS has been performing filter renovation work for the District since its inception and has an excellent reputation in the industry.

Binkley Associates, Inc.

CONSULTING ENGINEERS

HYDRAULICS · WATER RESOURCES · WATER AND SEWAGE FACILITIES

MEMO

October 20, 2016

TO: Board of Directors, Lake Don Pedro Community Services District
c/o Syndie Marchesiello, Syndie@ldpcsd.org

FROM: Elizabeth Binkley, Binkley Associates, District Engineer



RE: Failure of Water Treatment Filter #1

We've received verbal reports on the condition of filter vessel #1 from Randy Gilgo and Rick Langlois of ERS, and received a forwarded copy of the ERS proposal for repairs from Pete Kampa. The filter is in poor condition and needs repair immediately. This is an emergency situation. We recommend that you authorize the repair work as proposed by ERS in their \$99,226.05 proposal.

Bear in mind that filter vessel #2 must remain in service while they work on #1, so they have not yet opened #2 to estimate cost of repairs needed (if any). It is likely that it will be in a similar condition as #1, so we expect additional expense.

The granular media inside the filters does require periodic replacement. The filters were last cleaned out, repaired and the media replaced sometime between 1998 and 2003. After that they were on a maintenance schedule. Every two years ERS would come and do extensive testing and inspection, and make recommendations. We have on file ERS reports from 2005, 2007, and 2009. I spoke with Rick at ERS about this, and he said that none of the repairs they recommended 2009 were done, and the manager at that time also canceled the routine inspection program. To our knowledge, no inspection or maintenance has been done on the filters since 2009. However, it should be noted that we were not always kept informed during the period of 2008 onward. We believe that if the filters had been properly maintained during that time, you would not be in a position of an emergency repair now. Repairs would have been necessary but would have been caught earlier, allowing more time for engineering and obtaining bids, and not putting the community at risk.

We strongly advise that a routine be reinstated to help prevent a future emergency and maintain the water quality. At a minimum, the filters should be inspected every two years by an outside filtration company, but we would prefer these inspections to be annual. In addition, staff should inspect the visible portion of the interior and surface wash system monthly or at an interval to be determined.

cc: Pete Kampa, pete@kampacs.com

RESOLUTION NO. 2016-___

A RESOLUTION APPROVING UNANTICIPATED AND UNBUDGETED EXPENDITURES FOR THE EMERGENCY RENOVATION AND RESTORATION OF THE WATER TREATMENT PLANT FILTERS

The Board of Directors of the Lake Don Pedro Community Services District does hereby find:

WHEREAS, the Lake Don Pedro Community Services District (“District”) is a California community services district formed and existing under the provisions of the California Community Services District Law, codified at Government Code §§ 61000-61144, and all acts and laws amendatory thereof or supplementary thereto, and possessing all the powers thereof; and

WHEREAS, the District’s potable water supply is produced through a conventional surface water treatment plant that includes two pressure sand filters; and

WHEREAS, upon inspection of the pressure filters in October 2016, it was determined that major structural components of the filter, piping and controls have failed causing the filter to be non-operable and repairs will take a minimum of two weeks to complete; and

WHEREAS, both pressure sand filters are necessary to be operable to provide a reliable supply of safe, potable water in compliance with state regulations and therefore the existing failed filter has caused an immediate threat to public health and safety; and

WHEREAS, this was an unanticipated failure of critical water treatment equipment, and its renovation costs were not included in the 2016/17 fiscal year budget as adopted; and

WHEREAS, the District has received a firm cost proposal from a competent and experienced contractor, who quoted a total cost of \$99,226.05 for the renovation of Filter No. 1, and a total cost of \$68,588.46 for removal of the old fouled filter media and replacement with new, for a total cost of \$167,814.51, plus the cost of performance and completion bonding as required by law; and

WHEREAS, the District had budgeted \$250,000 in the 2016/17 fiscal year in its capital improvement schedule for the engineering and permitting cost for the replacement raw water pipeline project and although this project is of great importance due to significant deterioration of the pipeline, the completion of the water filter renovations immediately is the highest priority project for available District cash.

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING, BE IT RESOLVED by the Board of Directors of the Lake Don Pedro Community Services District, that the District hereby authorizes and directs the General Manager to contract for and complete the necessary renovations to the District water treatment plant Filter No. 1 as quickly as possible with an authorized expense of up to \$250,000 without further approval of the Board.

BE IT FURTHER RESOLVED THE FOLLOWING:

1. That the General Manager is hereby directed to inform and report to the Board at the earliest possible time the condition and estimated renovation cost for Filter No. 2, as well as the final cost once completed if within the \$250,000 authorization, and
2. The General Manager shall budget for the Raw Water Pipeline Replacement Project work in the 2017/18 fiscal year as a high priority.

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Lake Don Pedro Community Services District on October 21, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Danny Johnson, President, Board of Directors

ATTEST:

Syndie Marchesiello, Secretary

CERTIFICATE OF SECRETARY

STATE OF CALIFORNIA)
)
COUNTY OF MARIPOSA)

I, Syndie Marchesiello, the duly appointed and Secretary of the Board of Directors of the Lake Don Pedro Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Regular Meeting of the Board of Directors of the Lake Don Pedro Community Services District, duly called and held at the District office at 9751 Merced Falls Road, La Grange, CA 95239, on October 21, 2016.

DATED:

Syndie Marchesiello, Secretary

RESOLUTION NO. 2016-___

**A RESOLUTION APPROVING AN EMERGENCY DECLARATION REGARDING
THE REPAIR AND RESTORATION OF THE WATER TREATMENT PLANT
FILTERS IN ACCORDANCE WITH
CALIFORNIA PUBLIC CONTRACT CODE §§ 22035 AND 22050**

The Board of Directors of the Lake Don Pedro Community Services District does hereby find:

WHEREAS, the Lake Don Pedro Community Services District (“District”) is a California community services district formed and existing under the provisions of the California Community Services District Law, codified at Government Code §§ 61000-61144, and all acts and laws amendatory thereof or supplementary thereto, and possessing all the powers thereof; and

WHEREAS, the District’s potable water supply is produced through a conventional surface water treatment plant that includes two pressure sand filters; and

WHEREAS, upon inspection of the pressure filters in October 2016, it was determined that major structural components of the filter, piping and controls have failed causing the filter to be non-operable and repairs will take a minimum of two weeks to complete; and

WHEREAS, both pressure sand filters are necessary to be operable to provide a reliable supply of safe, potable water in compliance with state regulations and therefore the existing failed filter has caused an immediate threat to public health and safety; and

WHEREAS, in January 2015, the District Board took action for the District to become subject to the Uniform Construction Cost Accounting Act (UCCAA), set out at Public Contract Code §§ 22000-22045; and

WHEREAS, the District has received a competent proposal and cost estimate from a qualified contractor for completion of the necessary renovation work at a total cost approaching the maximum allowed under the Uniform Construction Cost Accounting Act, as adopted by the District; and

WHEREAS, development of plans, specifications, notices, public bidding and other administrative requirements of the Public Contract Code needed for public bidding of the filter renovation work will extend the construction by an additional 90 to 120 days or longer; and

WHEREAS, completion of the filter renovation is immediately needed on an emergency basis to avoid a water supply outage and health and safety crisis in the community; and

WHEREAS, Public Contract Code § 22035 provides that in cases of emergency the

District Board, as the governing body of the District, may (and upon compliance with Public Contract Code § 22050) proceed without giving notice of bids to let contracts; and

WHEREAS, Public Contract Code § 22035 also provides that the governing body may delegate to the appropriate agency manager the power to declare an emergency and/or proceed with repairs or replacements without approval by the Board; and

WHEREAS, Public Contract Code § 22050 provides contracting procedures without giving notice for bids to let contracts for these emergencies; and

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING, BE IT RESOLVED by the Board of Directors of the Lake Don Pedro Community Services District, that the District hereby adopts the following to be effective immediately and throughout the duration of the water treatment system emergency (filter renovations):

1. All of the foregoing recitals are true and correct, and are incorporated herein.
2. The Board finds on the basis of the foregoing, including all matter incorporated by reference in the foregoing, that a water supply emergency is facing the District such that the time required for the notice and advertisement for public bids would preclude timely action by the District to complete the filter renovations or secure an alternate or supplemental water supply before the District's second water filter fails.
3. The Board finds that due to the water supply emergency, that pursuant to Public Contract Code § 22035, public bidding to let contracts for filter renovation will not be given.
4. The Board further finds that due to the water supply emergency, that pursuant to Public Contract Code § 22050, public bidding to let contracts to secure an alternate or supplemental water supply or to secure a contractor to perform filter renovation will not be given, in that the emergency will not permit a delay resulting from a competitive solicitation for bids, and that the action is necessary to respond to the emergency.
5. The Board, pursuant to Public Contract Code § 22050(b), hereby delegates to the District General Manager the authority to order any action pursuant to Public Contract Code §22050(a)(1).
6. The Board shall review the above emergency action pursuant to the requirements of Public Contract Code § 22050(c).
7. This Resolution is effective immediately upon its adoption.

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Lake Don Pedro Community Services District on October 21, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Danny Johnson, President, Board of Directors

ATTEST:

Syndie Marchesiello, Secretary

CERTIFICATE OF SECRETARY

STATE OF CALIFORNIA)
)
COUNTY OF MARIPOSA)

I, Syndie Marchesiello, the duly appointed and Secretary of the Board of Directors of the Lake Don Pedro Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Regular Meeting of the Board of Directors of the Lake Don Pedro Community Services District, duly called and held at the District office at 9751 Merced Falls Road, La Grange, CA 95239, on October 21, 2016.

DATED:

Syndie Marchesiello, Secretary

RESOLUTION NO. 2016-___

ADOPTION OF A RESOLUTION APPROVING A CONTRACT WITH ERS INDUSTRIAL SERVICES, INC. FOR COMPLETION OF THE EMERGENCY REPAIR AND RESTORATION OF THE WATER TREATMENT PLANT FILTER #1.

The Board of Directors of the Lake Don Pedro Community Services District does hereby find:

WHEREAS, the Lake Don Pedro Community Services District (“District”) is a California community services district formed and existing under the provisions of the California Community Services District Law, codified at Government Code §§ 61000-61144, and all acts and laws amendatory thereof or supplementary thereto, and possessing all the powers thereof; and

WHEREAS, the District’s potable water supply is produced through a conventional surface water treatment plant that includes two pressure sand filters; and

WHEREAS, upon inspection of the pressure filters in October 2016, it was determined that major structural components of the filter, piping and controls have failed causing the filter to be non-operable and repairs will take a minimum of two weeks to complete; and

WHEREAS, both pressure sand filters are necessary to be operable to provide a reliable supply of safe, potable water in compliance with state regulations and therefore the existing failed filter has caused an immediate threat to public health and safety; and

WHEREAS, the district on many occasions has utilized the professional services of ERS Industrial Services to perform both filter inspections, media installation and repair work with great success and high quality work; and

WHEREAS, the District has declared an emergency pursuant to California Public Contract Code §§ 22035 AND 22050 and due to such emergency does not intend to seek competitive bids for the filter remediation work, and has received a competent and competitive proposal from ERS for completion of the work.

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING, BE IT RESOLVED by the Board of Directors of the Lake Don Pedro Community Services District, that the District hereby authorizes and directs the General Manager to execute the standard construction contract with ERS Industrial Services and deliver the Notice to Proceed with construction immediately following this Board action. The contract amount shall be for the costs proposed in the Contractor’s proposals contained as Exhibit A and B to the Agreement, plus the reasonable cost of performance and completion bonds purchased by the Contractor as required by law.

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the

Lake Don Pedro Community Services District on October 21, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Danny Johnson, President, Board of Directors

ATTEST:

Syndie Marchesiello, Secretary

CERTIFICATE OF SECRETARY

STATE OF CALIFORNIA)
)
COUNTY OF MARIPOSA)

I, Syndie Marchesiello, the duly appointed and Secretary of the Board of Directors of the Lake Don Pedro Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Regular Meeting of the Board of Directors of the Lake Don Pedro Community Services District, duly called and held at the District office at 9751 Merced Falls Road, La Grange, CA 95239, on October 21, 2016.

DATED:

Syndie Marchesiello, Secretary

AGREEMENT

This Agreement is made and entered into this 21st day of October, 2016, between LAKE DON PEDRO COMMUNITY SERVICES DISTRICT, a community services district formed and operating under California Government Code Section 61000 et seq, hereinafter referred to as "District" and ERS Industrial Services, Inc. hereinafter referred to as "Contractor".

WITNESSETH

WHEREAS, the Contractor has prepared a scope of work and estimated cost for the work herein mentioned, and the District has approved that said work be authorized for completion; and

WHEREAS, the District has adopted the Uniform Construction Cost Accounting Act and procedures pursuant to California Public Contract Code 22000 et seq. which authorizes the District to enter into negotiated contracts for projects up to Forty Five Thousand Dollars (\$45,000.00) and projects to be constructed pursuant to informal bidding procedures for projects up to One Hundred Seventy Five Thousand Dollars (\$175,000.00); and

WHEREAS, the District has determined that due to the failure of one of two existing filters and to preserve the health and safety of the community that this project shall be immediately implemented in an emergency manner by a qualified filter specialist, and that it is in the best interest of the District to enter into this contract with Contractor for the completion of the work herein mentioned; and

WHEREAS, Contractor has agreed to perform the work specified in the Contractor's Scope of Work for the amount set forth herein;

NOW THEREFORE, in consideration of the promises contained herein, it is mutually agreed between the parties hereto as follows:

CONTRACT DOCUMENTS

1. The following documents, as applicable, are by this reference incorporated into and made a part of this Agreement: The Standard Construction Specifications adopted by the Lake Don Pedro Community Services District, as amended, including the General Specifications, the Standard Specifications, the Standard Drawings and the Special Provisions; the contract drawings; any Notice Inviting Bids and/or Instructions to Bidders; the bid and proposal of Contractor, all required bonds, and all supplemental agreements covering alterations, amendments or extensions to this Agreement. The documents which describe the work to be performed are collectively referred to herein as the "Plans and Specifications".

It is understood and agreed that all said contract documents are intended to cooperate, so that any work called for in one document and not mentioned in the other, or vice-versa, is to be executed the same as if mentioned in all contract documents, so that the true meaning of all documents, when taken together, shall control the work pursuant to this Agreement.

SCOPE OF WORK

2. Contractor hereby agrees to furnish all labor, materials, services, transportation, appliances, mechanical workmanship, transportation, communication, scaffolding, hoisting, supervision, coordination, building permits, sales taxes, shop drawings and samples, to complete in a workman-like manner, the following work: Repair and restoration of one of the two water filters, including coating as

described in the Contractor's proposal # **101716-1QR** dated October 20, 2016, attached hereto as Exhibit A. The work also includes the removal and installation of new filter media as detailed in Contractor's proposal # **100416-1Q**, also dated October 20, 2016 and hereby incorporated herein by this reference and made a part of this Agreement as Exhibit B.

All of the work performed pursuant to this Agreement shall be under the supervision of, and performed to the satisfaction of, the assigned representative of District who shall have the right to reject any and all materials and supplies furnished by Contractor which do not comply with the Plans and Specifications, and who shall also have the right to require Contractor to replace any and all work furnished by Contractor which is not, either in workmanship or material, in strict accordance with the Plans and Specifications.

COMPLETION

3. Due to the emergency situation, Contractor shall be required to begin work as quickly as possible after written notification to that effect by District, and to complete work in accordance with the Proposals, Plans and Specifications to the satisfaction of District within 30 calendar days from the date of the Notice to Proceed for the first filter. Media removal and inspection of the second filter shall begin as early as possible following notification to Contractor by District that the first filter passed bacteriological sampling, is operating properly and produces stabilized water quality. All work contained in both proposals shall be completed within 90 days of the first Notice to Proceed provided by the District.

Should Contractor fail to complete the work described in this Agreement and the other contract documents incorporated herein within the time fixed for completion, Contractor shall be liable to District in the sum of One Hundred Dollars (\$100.00) per calendar day for each day said work remains incomplete beyond the time set for completion in the Contract Documents as and for agreed and liquidated damages. It is expressly agreed and stipulated by and between the parties hereto that said liquidated damages do not constitute a penalty since it would be impractical and extremely difficult to fix the actual amount of damages to District as the result of any failure to complete the work within the period of time specified in the contract documents. Time is of the essence of this contract.

PAYMENT

4. District agrees, in consideration of the work to be performed herein and subject to the terms and conditions hereof, to pay Contractor all sums of money which may become due to Contractor in accordance with the terms of Contractor's bid and proposal and this Agreement, to wit: Turnkey lump sum cost of \$99,226.05 for proposal # **101716-1QR** and \$68,588.46 for proposal # **100416-1Q**. It is understood that contractor shall bill the District on a monthly basis for the proportional share of work completed on each of the referenced proposals. No payment made under this Agreement shall be construed to be an acceptance of defective work or improper materials.

If Contractor performs the work in accordance with the Contract documents and to the satisfaction of District, District shall pay Contractor as follows: Within 30 days of approved monthly invoice. However, no payment, including all progress payments and the final payment, shall be made to Contractor in excess of ninety percent (90%) of the percentage of work actually completed, plus a like percentage of the value of the material delivered on the ground or stored subject to, or under the control of, District. The ten percent (10%) not paid shall be withheld by District until final completion and acceptance of the work. However, in lieu of any withholding of money, and in accordance with the provisions of California Public Contract Code Section 22300, Contractor may substitute securities to insure performance under this Agreement.

If payment is to be made by progress payments, Contractor may be paid progress payments at intervals of not less than thirty (30) days as the work progresses. As the basis for determining the amount of these progress payments, the Contractor shall, before commencing the work, submit to the District a detailed statement of all materials and labor included in its bid and proposal. This statement shall be so arranged that the value of the work as it progresses may be readily determined, and the first payment will not be considered as due hereunder until such statement is furnished by Contractor. Upon submission of a statement for a progress payment, and after verification thereof by the assigned representative of the District, a certificate for payment of the work actually performed, less ten percent (10%) thereof, will be issued by the District. No certificate will be issued until defective work and materials have been removed, replaced and made good in accordance with the Plans and Specifications. In any event, payment made shall not be construed to be an acceptance of defective work or improper materials, and Contractor shall be required to remove, replace and/or repair any defective work and materials at its own expense.

Contractor shall be paid as the work progresses in the amount specified on each such certificate. Contractor shall notify District when it encounters work which exceeds the quantities estimated immediately upon ascertaining the additional quantities. Contractor shall apply for a Change Order as provided in Paragraph 5 of this Agreement, covering any such additional quantities within ten (10) days of the completion of the work. Failure by Contractor to do so will result in a waiver by Contractor of its right to recover any additional compensation from the District for said additional quantities.

If at any time during the progress of the work or before the final payment is made, any stop notice or other lien or claim of lien is filed, or notification to withhold money for labor or material furnished by Contractor under this Agreement is served on the District, the District shall have the right to withhold from any monies due Contractor, an amount sufficient to discharge any or all such liens or claims plus reasonable attorney fees and costs. Releases or receipted vouchers in settlement of these liens or claims satisfactory to the District must be furnished to the District by Contractor before the withheld money will be paid to Contractor. If Contractor has not settled the stop notice, liens or claims within a reasonable time, not to exceed thirty (30) days from and after such stop notice, lien or claim is made, the District shall have the right to make a claim on Contractor's bond for payment of such stop notices, liens or claims. The District shall also have the right, but shall not be obliged, to discharge any or all such stop notices, liens or claims out of money withheld from Contractor. The District reserves the right to make payments to Contractor in the form of checks payable jointly to Contractor and to any of its subcontractors or suppliers that have asserted a stop notice or claim of mechanic's lien against the District. Any monies held in retention or otherwise by the District shall not be considered monies due and owing to Contractor until final payment is made pursuant to this Section 5, and all amounts have been deducted for any and all damages assessed pursuant to the provisions of this Agreement and/or monies expended by the District to complete the work as set forth in the Plans and Specifications and contemplated by the contract documents.

Upon submission of a statement for payment, unconditional waivers from all suppliers of labor, materials, equipment and/or supplies for the work, and after verification thereof by the assigned representative of District, a Notice of Completion and/or Notice of Acceptance will be issued by District. Thirty-five (35) calendar days after the issuance of the Notice of Completion and/or Notice of Acceptance, the balance of the contract price will be paid to Contractor, provided there are no mechanic's liens of record or stop notices in effect at that time. No Notice of Completion and/or Notice of Acceptance shall be issued and/or no payment shall be made to Contractor until all defective work and materials have been removed, replaced and made good in accordance with the Plans and Specifications.

CHANGE ORDERS

5. District may, at any time, by written change order make changes in the work, or extend the time to complete the work, as deemed necessary by District. If such changes cause an increase or decrease in Contractor's cost of, or time required for, performance of this Agreement, there shall be an equitable adjustment in the payment price. The price adjustment shall be determined by one of the following methods in the order of precedence listed:

A. Based on the unit prices contained in section 4, if applicable.

B. Mutually agreed-upon lump sum or unit price adjustment.

C. Contractor's actual cost of labor (wages and benefits), materials (actual purchase price, sales tax, freight and delivery) and equipment/tools (at actual or fair/prevaling rental rates) directly engaged in the performance of the extra work plus a fifteen percent (15%) mark-up for overhead and profit. For price adjustments under this section, Contractor shall provide to District an itemized breakdown of the quantities and prices used in the extra work, and it shall make available all source documents, including payroll records, invoices, purchase orders, contracts and lease agreements.

PREVAILING WAGES

6. Pursuant to the provisions of Articles 1 and 2 of Chapter 1, Part 7, Division II of the Labor Code of the State of California, not less than the general prevailing rate of per diem wages, and not less than the general prevailing rate of per diem wages for holidays and overtime work, for each craft, classification or type of worker needed to execute the work or any part of the work completed under this Agreement shall be paid to all workers, laborers and mechanics employed in the execution of said work by Contractor or by any sub-contractor doing or contracting to do any part of the work contemplated by this Agreement. The appropriate determination of the Director of the California Department of Industrial Relations is filed with, and available for inspection, at the office of the District Administrator.

Pursuant to Labor Code Section 1775, Contractor shall forfeit, as a penalty to the District, an amount of not more than Fifty Dollars (\$50.00) for each calendar day, or portion thereof, for each worker paid less than the stipulated prevailing rates for any work done pursuant to this Agreement by Contractor or any subcontractor working under Contractor. The amount of the penalty shall be determined by the Labor Commissioner and shall be based on consideration of the Contractor's mistake, inadvertence, or neglect in failing to pay the correct rate of prevailing wages, the previous record of the Contractor in meeting his or her prevailing wage obligations, or Contractor's willful failure to pay the correct rate of prevailing wages. A mistake, inadvertence, or neglect in failing to pay the correct rate of prevailing wages is not excusable if the Contractor had knowledge of his or her obligations under the Labor Code. In addition to said penalty, the difference between such prevailing wage rates 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. Contractor shall post, at each job site, a copy of such prevailing rate of per diem wages as determined by the Director of the California Department of Industrial Relations.

Contractor and each subcontractor under Contractor shall keep an accurate payroll record showing name, address, social security number, work classification, straight-time and overtime hours worked each day and week, and the actual per diem wages paid to each person certified in a trade or a craft, for each apprentice, worker, or other employee of Contractor or subcontractor performing a part of the work contemplated by this Agreement. Contractor shall provide or make available for inspection, a certified copy of such payroll records as specified in Section 1776 of the Labor Code of the State of California. Attention is directed to Section 1777.5 of the Labor Code of the State of California concerning the employment of apprentices, and Contractor is required to comply with the provisions of that section.

Contractor agrees, in accordance with Section 1771.1 of the California Labor Code, that contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, as defined in this chapter, unless currently registered and qualified to perform public work pursuant to Section 1725.5. It is not a violation of this section for an unregistered contractor to submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or by Section 10164 or 20103.5 of the Public Contract Code, provided the contractor is registered to perform public work pursuant to Section 1725.5 at the time the contract is awarded.

No contractor or subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to California Labor Code section 1725.5. Contractor agrees, in accordance with Section 1771.4 of the California Labor Code, this Project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

INSURANCE

7. Contractor shall carry and maintain during the life of this Agreement, such public liability, property damage and contractual liability insurance and workers' compensation insurance as specified below:

A. Public Liability and Property Damage Insurance. Contractor shall furnish public liability and property damage insurance which includes, but is not limited to, personal injury, property damage, losses relating to independent contractors, products and equipment, explosion, collapse and underground hazards in a minimum amount of not less than a combined single limit of One Million Dollars (\$1,000,000.00) for one or more persons injured and property damaged in each occurrence.

The public liability and property damage insurance furnished by Contractor shall also name District as an additional insured and shall directly protect, as well as provide the defense for District, its officers, agents and employees, as well as Contractor, all subcontractors and suppliers, if any, from all suits, actions, damages, losses or claims of every type and description to which they may be subjected by reason of, or resulting from Contractor's operations in the performance of the work pursuant to this Agreement, and all insurance policies shall so state. Said insurance shall also specifically cover the contractual liability of Contractor. Said insurance shall also specify that it acts as primary insurance.

If Contractor fails to maintain such insurance, District may declare a default in the performance of this Agreement and exercise the remedies specified in Section 13 of this Agreement.

B. Workers' Compensation Insurance. Contractor shall be permissibly self-insured or shall carry full workers' compensation insurance coverage for all persons employed, either directly or through subcontractors, in carrying out the work contemplated by this Agreement, in accordance with the Workers' Compensation Act contained in the Labor Code of the State of California.

If Contractor fails to maintain such insurance, District may declare a default in the performance of this Agreement and exercise the remedies specified in Section 13 of this Agreement.

By execution of this Agreement, Contractor certifies as follows:

“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, I will comply with such provisions before commencing the performance of the work of this contract.”

As part of the execution of this Agreement, Contractor agrees to furnish a certificate or certificates substantiating the fact that it has taken out the insurance set forth above for the period covered by the Contractor and with any insurance carrier acceptable to District under terms satisfactory to District. Each such certificate shall bear an endorsement precluding the cancellation or reduction in coverage of any policy covered by such certificate before the expiration of thirty (30) days after District shall have received notification of such cancellation or reduction.

PERFORMANCE AND PAYMENT BONDS

8. Contractor shall, at the time of execution of this Agreement, file two (2) separate bonds with District, each made payable to District. These bonds shall be issued by a surety company authorized to do business in the State of California and shall be maintained during the entire life of this Agreement at the expense of Contractor. One bond shall be in the amount of One Hundred Percent (100%) of the contract price set forth in this Agreement and shall guarantee the faithful performance of all aspects of this Agreement. The second bond shall be the payment bond required by Division Three, Part 4, Title 15, Chapter 7 of the Civil Code of the State of California, and shall be in the amount of One Hundred Percent (100%) of the contract price set forth in this Agreement to guarantee the payment of wages and of bills contracted for materials, supplies or equipment used in the performance of this Agreement. Any alterations made in the specifications which are a part of this Agreement or in any provisions of this Agreement shall not operate to release any surety from liability on any bond required hereunder, and the consent to make such alterations is hereby given, and any surety on said bonds hereby waives the provisions of Section 2819 of the Civil Code. Prior to beginning work under this Agreement, Contractor shall furnish a certification from either the Department of Insurance and/or Siskiyou County Clerk evidencing the status of any and all sureties issuing the bonds required under this Agreement. Contractor further certifies and represents that said sureties are authorized to do business in the State of California and that the bonds fully comply with Civil Code Sections 3247 and 3248.

INDEMNIFICATION

9. Contractor shall assume the defense of, and indemnify and save harmless, the District, its officers, employees and agents, and each and every one of them from and against all actions, liability, damages, claims, losses or expenses of every type and description to which it may be subjected or put to by reason of or resulting from: (1) the performance of, or failure to perform, the work or any other obligations of this Agreement by Contractor, any subcontractor or Contractor's agents or employees; (2) any alleged negligent act or omission of Contractor, any subcontractor, Contractor's agents or employees, in connection with any acts performed or required to be performed pursuant to this Agreement; (3) any dangerous or defective condition arising or resulting from any of the actions or omissions of Contractor, Contractor's agents or employees in carrying out the provisions of this Agreement. This indemnification is effective and shall apply whether or not any such action is alleged to have been caused in part by the District as a party indemnified hereunder. This indemnification shall not include any claim arising from the sole negligence or willful misconduct of the District or its employees.

GUARANTEE

10. Contractor unconditionally guarantees all materials and workmanship furnished under this Contract, and agrees to replace at its sole cost and expense, and to the satisfaction of District, any and all materials which may be defective or improperly installed. Contractor shall repair or replace to the satisfaction of District any or all such work that may prove defective in workmanship or materials, ordinary wear and tear excepted, together with any other work which may be damaged or displaced in so doing. This guarantee shall remain in effect for one year from the date of District's acceptance of the work. This guarantee does not excuse Contractor for any other liability related to defective work discovered after the guarantee period. Contractor shall transfer to District all manufacturer and supplier warranties relating to the work, if any, upon completion of the work and prior to the final payment.

In the event of failure to comply with the above stated conditions within a reasonable time, District may have the defective work repaired and made good at the expense of Contractor who will pay the costs and charges therefor immediately upon demand, including any reasonable management and administrative costs, and engineering, legal and other consultant fees incurred by District in enforcing this guarantee.

PERMITS AND INSPECTIONS

11. Contractor agrees and understands that it is the responsibility of Contractor to obtain and pay for all necessary permits required for the performance of the work described in this Agreement as well as calling for and obtaining all required inspections during the course of the work on the project which is the subject matter of this Agreement. Contractor shall hold the appropriate classification of a current and valid contractor's license for the work.

DEFAULT BY CONTRACTOR

12. If Contractor fails to expeditiously advance the project, or installs work that does not comply with the requirements of the Plans and Specifications, fails to comply with any provision of law regarding the payment of employees, subcontractors and/or any third parties providing materials, equipment or supplies provided to the project, or fails to otherwise promptly pay for work or materials supplied to the project, or is guilty of any other material breach of the terms of this Agreement, the District may: (1) suspend payment until such time as the default is remedied by Contractor; or (2) by written notice to Contractor, terminate Contractor's right to perform all or any portion of the work. Contractor hereby agrees to pay the District all damages sustained as a result of default by Contractor. If the District terminates Contractor's right to perform the work, the District may have the work performed by others, or may complete the work itself, and charge the cost to Contractor. The cost of completion by the District shall include reasonable reimbursement for additional executive and administrative expense along with all damages for delay, including liquidated damages, and other damages sustained by the District as a result of Contractor's default. The District may deduct from any and all monies owing to the Contractor, either by virtue of this Agreement or any other agreements between the District and the Contractor, any and all damages assessed by the District against the Contractor pursuant to the provision of this Agreement.

MISCELLANEOUS PROVISIONS

13. In the event of litigation between the parties, or if a party becomes involved in litigation because of wrongful acts of the other party, the prevailing or innocent party shall be entitled to an award of reasonable attorney's fees from the other party. The prevailing party will be entitled to an award of attorney's fees in an amount sufficient to compensate the prevailing party for all attorney's fees incurred in good faith.

14. This Agreement shall bind and inure to the heirs, devisees, assignees and successors in interest of Contractor and to the successors in interest of District in the same manner as if such parties had been expressly named herein.

15. It is hereby expressly agreed that time is of the essence of this Agreement including all contract documents incorporated herein.

16. This Agreement shall be governed by the laws of the State of California. This Agreement constitutes the entire agreement between the parties regarding its subject matter. If any provisions in this Agreement are held by any court to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force.

17. The terms of this Agreement may be modified only by the mutual consent and written agreement of District and Contractor.

IN WITNESS WHEREOF, the LAKE DON PEDRO COMMUNITY SERVICES DISTRICT has, by order of its Board of Directors, caused this Agreement to be signed by the General Manager and Secretary of the Board of Directors and Contractor has executed this Agreement on the date and year first above written.

LAKE DON PEDRO COMMUNITY SERVICES DISTRICT

CONTRACTOR:

By: _____
General Manager

By: _____

License No.: _____

By: _____
Secretary

By: _____
Authorized Representative

Title: _____

October 20, 2016

Mr. Peter J. Kampa

Lake Don Pedro CSD
9751 Merced Falls Road
La Grange, CA. 95329

Quote # 101716-1QR

FAX: 209-852-2268

Email: pkampa@kampacs.com

Dear Peter:

ERS is pleased to submit its proposal for our TurnKey Repair Service on your 1 each 8' x 30' 2 cell Horizontal Pressure Vessel. The second filter will be evaluated after the first filter is up and running.

Our service includes the following:

ERS to provide:

1. Repair bulkhead at Influent and Effluent manifolds
2. Weld Stiffener to bulk head
3. Replace 84ea 1 ¼" Half coupling's to existing effluent manifold
4. Clean Surface Wash Nozzles & Replace rubber seals
5. Supply and install new surface wash manifold
6. Replace Elliptical man way covers 4ea
7. Supply and Install 1ea new 8" isolation valve on outside of building
8. Supply and Install 2ea new 6" isolation valve on outside of building
9. Supply and Install 1ea new 3" Isolation valve on outside of building
10. Supply and install 2 new ¾" Air Relief Valves
11. Supply and install drain screen at end of filter
12. Sand Blast Interior of filter vessel to SSPC 10 and coat with 1 coat of SW Sherplate PW to a DFT of 40 – 50 mil
13. Prep, Spot Prime and coat outside of vessel with 1 coat of SW Sher-cryl High Performance Acrylic (White)

PRICING: 1 Filter Only

\$99,226.05

Quote Valid for 45 days

Price includes all applicable sales tax.

Please feel free to call me should you need further information or any clarification. My cell phone is 510-552-5301; office is 510-770-0202.

Sincerely,

Accepted By: _____ Date: _____

Rick D. Langlois
Vice President Sales

October 20, 2016

Mr. Peter Kampa

Lake Don Pedro CSD
9751 Merced Falls Road
La Grange, CA. 95329

Quote # 100416-1Q

FAX: 209-852-2268

Email: pkampa@kampacs.com

Dear Peter:

ERS is pleased to submit its proposal for our TurnKey Service on your 2 each 8' x 30' 2 cell Horizontal Pressure Vessels. ERS will require a media sample before we start the project for Disposal Testing!

Our service includes removal, packaging and disposal of existing media, interior filter cleaning where required, supply and installation of new media, per design. ERS will also repair or replace existing underdrains as needed, on a time and materials basis*.

ERS to provide:

- 1) Qualified Manpower
- 2) Forklift
- 3) Disposal and disposal transport
- 4) High power industrial vacuum system
- 5) Confined space equipment as follows:
 - a) Supervisor/Environmental Technician/Hole watch
 - b) Ventilation fan for air circulation
 - c) Tripod/winch for emergency evacuation
 - d) Four gas monitor for pre-entry testing, as well as for continuous testing
 - e) 2-way Radios for communication with in-tank personnel
 - f) Cellular phone as an emergency response tool
 - g) Half-face cartridge type respirators (Supplied air respirators available if required)
 - h) Harnesses with safety ropes for all men
 - i) Daily monitoring log
 - j) Complete and post-confined space entry permit (if required)

- 6) New media as follows:
a) 1/4 x 1/8 Filter Gravel
b) .45-.55mm<1.5uc Filter Sand
c) .60-80mm<1.5uc Anthracite

Exclusions:

PRICING:

\$68,588.46

Quote Valid for 45 days

Please feel free to call me should you need further information or any clarification. My cell phone is 510-552-5301; office is 510-770-0202.

Sincerely,

Accepted By: _____ Date: _____

Rick D. Langlois
Vice President Sales