



Pursuant to Governor Newsom's Executive Order N-29-20, members of the Board of Directors and staff will participate in this meeting via a teleconference. Members of the public can comment when prompted by unmuting their microphone, and allowing access to their webcam is optional.

CAYUCOS SANITARY DISTRICT

200 Ash Avenue
PO Box 333
Cayucos, California 93430-0333
805-995-3290

GOVERNING BOARD

R. Enns, President
D. Chivens, Vice-President
S. Lyon, Director
R. Frank, Director
H. Miller, Director

BOARD OF DIRECTORS REGULAR MEETING AGENDA

THURSDAY, JULY 16, 2020 AT 5:00PM
200 ASH AVENUE, CAYUCOS, CALIFORNIA 93430

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1. ESTABLISH QUORUM AND CALL TO ORDER

2. PUBLIC COMMENTS:

This is the time the public may address the Board on items other than those scheduled on the agenda. By conditions of the Brown Act the Board may not discuss issues not posted on the agenda, but may set items for future agendas. Those persons wishing to speak on any item scheduled on the agenda will be given an opportunity to do so at the time that agenda item is being considered. When recognized by the Board President, please stand up and state your name and address for the record (though not required). While the Board encourages public comment, in the interest of time and to facilitate orderly conduct of the meeting, the Board reserves the right to limit individual comments to three minutes.

3. CONSENT CALENDAR - Recommend to Approve.

Consent Calendar items are considered routine and therefore do not require separate discussion. However, any item may be removed from the Consent Calendar by a member of the Board of Directors for separate consideration. Individual items on the Consent Calendar are approved by the same vote that approves the Consent Calendar, unless an item is pulled for separate consideration.

A. Regular Meeting Minutes

1. Approval of minutes for the June 18, 2020 Board of Directors Regular Meeting

B. Financial Reports: June 2020

1. Check Register – Rabobank (General Checking Account)
 - a. Check Register – Wells Fargo (CIP/CSWP Checking Account)
 - b. Check Register – Wells Fargo (CSWP Construction Account)

Pursuant to Governor Newsom's Executive Order N-29-20, members of the Board of Directors and staff will participate in this meeting via a teleconference. Members of the public can comment when prompted by unmuting their microphone, and allowing access to their webcam is optional.

2. Cash, Savings, and Investment Report
 3. Budget vs. Actual Status Report **FY 2019-2020**
 4. Capital Improvement Projects Report
 5. Annual Disclosure and Employee Reimbursement Report
4. **STAFF COMMUNICATIONS AND INFORMATION ITEMS: (NO ACTION REQUIRED)**
- A. District Manager's Report (Koon) – June 2020
 - B. Monthly Customer Satisfaction Survey Submissions – **None**
 - E. Will-Serves – New
 - Allen, APN 064-182-059, 1975 Cass Ave. – SFR Remodel**
 - Baldonado, APN 064-153-041, 80 9th St. – SFR Addition**
 - DeNatale, APN 064-262-006, 2885 Orville Ave. – SFR Addition**
 - Lindell, APN 064-121-031, 236 Pacific Ave. – SFR Addition**
 - Will-Serves – Renewed
 - Hofer, APN 064-157-026, 960 Park Ave. – SFR Remodel**
 - Will-Serves – Finalized
 - None**
 - Will-Serves – Continue to Serve (No Will-Serve Required)
 - None**
5. **DISCUSSION AND CONSIDERATION TO APPROVE THE AGREEMENT FOR PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS FOR LOTS 6NW (APN 073-075-016) AND 6SW (APN 065-022-011)**
6. **DISCUSSION AND CONSIDERATION TO AWARD THE LIFT STATION 5 CONSTRUCTION CONTRACT AND TO APPROVE THE CONSTRUCTION CONTRACT (STIPULATED PRICE)**
7. **DISCUSSION AND CONSIDERATION TO APPROVE AMENDMENT #1 TO THE TORO CREEK BRIDGE FORCE MAIN CROSSING PROJECT TO WATER SYSTEMS CONSULTING FOR THE DESIGN AND CONSTRUCTION ADMINISTRATION FOR THE CALTRANS TORO CREEK BRIDGE PROJECT PER THE REIMBURSEMENT AGREEMENT WITH CALTRANS**
8. **DISCUSSION AND CONSIDERATION TO ADOPT A RESOLUTION WAIVING COMPETITIVE BIDDING, MAKING FINDINGS IN SUPPORT THEREOF AND AUTHORIZING A SOLE SOURCE CONTRACT FOR THE PROCUREMENT OF CONTROL SYSTEMS INTEGRATION AND EQUIPMENT FOR LIFT STATION 5**
9. **CAYUCOS SUSTAINABLE WATER PROJECT STATUS UPDATE**
10. **BOARD MEMBER COMMENTS** (This item is the opportunity for Board Members to make brief announcements and/or briefly report on their own activities related to District business.)
11. **FUTURE SCHEDULED MEETINGS**
- August 20, 2020 – Regular Board Meeting
 - September 17, 2020 – Regular Board Meeting
 - October 15, 2020 – Regular Board Meeting
12. **ADJOURNMENT**

Pursuant to Governor Newsom's Executive Order N-29-20, members of the Board of Directors and staff will participate in this meeting via a teleconference. Members of the public can comment when prompted by unmuting their microphone, and allowing access to their webcam is optional.

This agenda was prepared and posted pursuant to Government Code Section 54954.2. The agenda can be accessed and downloaded from the District's website at www.cayucossd.org/

All staff reports or other written documentation relating to each item of business referred to on the agenda are on file in the District's office and are available for public inspection and reproduction at cost. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by the Americans with Disability Act. To make a request for disability-related modification or accommodation, contact the District at 805-995-3290 as soon as possible and at least 48 hours prior to the meeting date.



AGENDA ITEM: 3.A.1
DATE: July 16, 2020

CAYUCOS SANITARY DISTRICT
200 Ash Avenue
PO Box 333, Cayucos, CA 93430-0333
805-995-3290

GOVERNING BOARD
R. B. Enns, President
D. Chivens, Vice-President
S. Lyon, Director
H. Miller, Director
R. Frank, Director

**REGULAR MEETING
MINUTES**
Thursday, June 18, 2020
5:00 p.m.

1. ESTABLISH QUORUM AND CALL TO ORDER

President Enns called the meeting to order at 5:07p.m.

Board members present via GoToMeeting: President Robert Enns, Vice-President Dan Chivens, Director Robert Frank, Director Hannah Miller, and Director Shirley Lyon

Staff present via GoToMeeting: District Manager Rick Koon, and Billing Clerk Amy Nelson

Guests present via GoToMeeting: Dylan Wade of Water Systems Consultants (WSC)

2. PUBLIC COMMENTS

Enns opened the meeting to Public Comment.

Julie Tacker – followed up with her inquiry regarding the existence of District bylaws, and questioned when the USDA loan application would be available to the public.

Hearing no further comments, President Enns closed Public Comment.

3. CONSENT CALENDAR - Recommend to Approve.

Consent Calendar items are considered routine and therefore do not require separate discussion. However, any item may be removed from the Consent Calendar by a member of the Board of Directors for separate consideration. Individual items on the Consent Calendar are approved by the same vote that approves the Consent Calendar, unless an item is pulled for separate consideration.

A. Regular Meeting Minutes

1. Approval of Minutes for the May 21, 2020 Board of Directors Regular Meeting.
2. Approval of minutes for the June 12, 2020 Budget Committee Meeting

B. Financial Reports: May 2020

1. Check Register – Rabobank (General Checking Account)
 - a. Check Register – Wells Fargo (CIP/CSWP Checking Account)
 - b. Check Register – Wells Fargo (CSWP Construction Account)
2. Cash, Savings, and Investment Report
3. Budget vs. Actual Status Report **FY 2019-2020**
4. Capital Improvement Projects Report

Director Miller requested to pull agenda items 3.A.1 and 3.A.2 for separate discussion.

President Enns opened the meeting to Public Comment.

Julie Tacker stated her opposition to calling the typo on May's agenda item 3.B a "typo" ("Financial Reports: March 2020" should have read "Financial Reports: April 2020"). She also opposed the Budget Committee Meeting not being recorded.

Hearing no further comments, President Enns closed Public Comment.

MOTION: 1st by Miller, to approve item 3.B on the consent calendar as prepared. Motion was seconded by Frank.

ROLLCALL VOTE: Miller-yes, Frank-yes, Lyon-yes, Chivens-yes, Enns-yes

VOTE 5-0 Motion passed

Miller requested that Tacker's city of residence be removed from the minutes in agenda items 3.A.1 and 3.A.2.

President Enns opened the meeting to Public Comment.

Hearing no comments, President Enns closed Public Comment.

MOTION: 1st by Miller, to approve items 3.A.1 and 3.A.2 on the consent calendar with corrections noted. Motion was seconded by Chivens.

ROLLCALL VOTE: Miller-yes, Chivens-yes, Lyon-yes, Frank-yes, Enns-yes

VOTE 5-0 Motion passed

4. STAFF COMMUNICATIONS AND INFORMATION ITEMS: (NO ACTION REQUIRED)

A. District Manager's Report – May 2020

B. Monthly Customer Satisfaction Survey Submissions – None

C. Will Serves – New

Byde, APN 064-154-015, 18 10th St. – SFR New

Will Serves – Renewed

Lee, APN 064-128-001, 188 I St. – SFR New

Fischer, APN 064-227-005, 1200 Pacific Ave. – SFR Addition

Will Serves – Finaled

Waltos, APN 064-145-037, 696 S Ocean Ave. – CMMCL New

Will Serves – Continue to Serve (No Will Serve Required)

None

Manager Koon gave a verbal report for the month of May's Admin and Operations departments' activities. Admin staff is continuing cross-training of their respective duties. The sale of 6SW and 6N has been extended to July 30th. The District continues to observe health recommendations associated with COVID-19 as it relates to District staff and the office opening. The trainee position has been filled by new staff member Justin Owens. The preliminary audit took place on June 15th.

President Enns opened the meeting to Public Comment.

Hearing no comments, President Enns closed Public Comment.

Items 4 A through C were received and accepted.

5. CONSIDERATION TO APPROVE PAYMENT OF CITY OF MORRO BAY INVOICE FOR 3RD QUARTER OF FY 2020/21 IN THE AMOUNT OF \$85,574.63

Koon went over his staff report in relation to the recommendation to approve payment on the 3rd quarter invoice to the City of Morro Bay.

President Enns opened the meeting to Public Comment.
Hearing no comments, President Enns closed Public Comment.

MOTION: 1st by Lyon, to approve payment of City of Morro Bay invoice for 3rd quarter of FY 2020/21 in the amount of \$85,574.63. Motion was seconded by Frank.

ROLLCALL VOTE: Lyon-yes, Frank-yes, Chivens-yes, Miller-yes, Enns-yes

VOTE 5-0 Motion passed

6. PRESENTATION AND REVIEW OF THE CITY OF MORRO BAY WASTEWATER TREATMENT PLANT FY 2020/21 BUDGET

President Enns asked for clarification on Revenues: "Interfund Transfers In" and Expenditures: "General Fund for CAP" and "Risk Management – CAP", commenting that he was unsure as to what these line items are referring to. Manager Koon agreed that it is unclear and assured the Board that he will find out when he meets with CMB.

President Enns opened the meeting to Public Comment.
Hearing no comments, President Enns closed Public Comment.

Proposed budget received, no action needed.

7. PUBLIC HEARING TO DISCUSS AND CONSIDER ADOPTION OF RESOLUTION 2020-4 CONFIRMING THE ITEMIZED REPORT OF DISTRICT CLERK REGARDING DELINQUENT SEWER SERVICE CHARGES AND LEVYING ASSESSMENTS

The report of delinquent sewer service charges and levying assessments was submitted to the Board. Manager Koon explained that the process took place one month earlier this year to accommodate SLO County's due date.

President Enns opened the meeting to Public Comment.

Julie Tacker suggested that future lists of delinquent accounts should identify only the property address and APN, excluding property owner name, in an effort to provide a degree of privacy to the customer.

Hearing no further comments, President Enns closed Public Comment.

MOTION: 1st by Miller, to adopt Resolution 2020-4 confirming the itemized report of District Clerk regarding delinquent sewer service charges and levying assessments. Motion was seconded by Lyon.

ROLLCALL VOTE: Miller-yes, Lyon-yes, Frank-yes, Chivens-yes, Enns-yes

VOTE 5-0 Motion passed.

8. DISCUSSION AND CONSIDERATION TO APPROVE A BLANKET PURCHASE ORDER FOR FY 2020/21 IN THE AMOUNT OF \$40,000.00 WITH N. BRENT KNOWLES CONSTRUCTION FOR ONGOING PAVING AND SLURRY SERVICES ASSOCIATED WITH POINT REPAIRS AND OTHER DISTRICT-RELATED EMERGENCIES

Manager Koon explained the need for the blanket purchase order with N. Brent Knowles. President Enns wondered about the procedure for a purchase order where no one is bidding against it. Koon elaborated that this encompasses very minor work on an as-need basis, like paving the street, or a break in the line, or other emergency work. Enns questioned if there is a limit on the amount that can be spent on work that does not go out to bid? Koon answered for \$65,000.00 or less, the project does not have to go out to bid. Director Frank commented that the District only used \$6,000.00 of the allowance last year, reinforcing that the cost is low.

President Enns opened the meeting to Public Comment.

Julie Tacker was in opposition to the blanket purchase order with N. Brent Knowles Construction and doubted the accuracy of the \$65,000.00 limit.

Hearing further no comments, President Enns closed Public Comment.

MOTION: 1st by Lyon, to approve a blanket purchase order for FY 2020/21 in the amount of \$40,000.00 with N. Brent Knowles Construction for ongoing paving and slurry services associated with point repairs and other District-related emergencies. Motion was seconded by Frank.

ROLLCALL VOTE: Lyon-yes, Frank-yes, Miller-yes, Chivens-yes, Enns-yes

VOTE 5-0 Motion passed.

9. DISCUSSION AND CONSIDERATION TO APPROVE CALTRANS REIMBURSEMENT AGREEMENT FOR THE DESIGN AND CONSTRUCTION OF THE DISTRICT'S PIPELINE RELOCATION ON THE TORO CREEK BRIDGE PROJECT

Manager Koon and Dylan Wade of WSC discussed the reimbursement agreement with the Board. Director Lyon asked if this project would go out to bid, and Koon answered yes, by August.

President Enns opened the meeting to Public Comment.

John Curti asked about what protection the District has with regard to reimbursement disputes?

Julie Tacker expressed interest in seeing a cost estimate and breakdown, and asked how much stainless steel piping would cost?

Hearing no further comments, Public Comment was closed.

Manager Koon answered the Public Comment questions, stating that there is a clause in the agreement protecting the District and guarantees the project is 100% reimbursable, even if it goes over. He went on to answer that they are still working on the final cost estimate, but it will be part of the total bid package. Wade answered that it is about \$400/foot for stainless steel pipe. Director Frank asked about how many feet would be needed, and Wade answered about 250 feet.

MOTION: 1st by Chivens, to approve Caltrans reimbursement agreement for the design and construction of the District's pipeline relocation on the Toro Creek Bride Project. Motion was seconded by Frank.

ROLLCALL VOTE: Chivens-yes, Frank-yes, Lyon-yes, Miler-yes, Enns-yes

VOTE 5-0 Motion passed

10. DISCUSSION AND CONSIDERATION TO APPROVE THE SECOND AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING FOR PUBLIC OWNERSHIP FOR LOT 6SW BETWEEN THE CAYUCOS SANITARY DISTRICT, THE TRUST FOR PUBLIC LAND, THE CITY OF MORRO BAY, AND CHEVRON LAND AND DEVELOPMENT COMPANY

Koon discussed the necessity for Change Order #2, which pushes the due date out to July 30th and includes verbiage that allows Morro Bay and the District to work directly with each other to develop the Purchase and Sale Agreement, which is scheduled to be presented to the Board in July.

President Enns opened the meeting to Public Comment.

Hearing no comment, Public Comment was closed.

MOTION: 1st by Frank, to approve the Second Amendment to the Memorandum of Understanding for public ownership for Lot 6SW between the Cayucos Sanitary District, the Trust for Public Land, the City of Morro Bay, and Chevron Land and Development Company. Motion was seconded by Lyon.

ROLLCALL VOTE: Frank-yes, Lyon-yes, Miller-yes, Chivens-yes, Enns-yes

VOTE 5-0 Motion passed

11. REPORT FROM AD HOC COMMITTEE ON IDENTIFYING POSITIONS TO BE CREATED AND ACTIONS NECESSARY TO INTEGRATE OPERATIONS OF THE CAYUCOS SUSTAINABLE WATER FACILITY INTO THE DISTRICT'S ORGANIZATIONAL STRUCTURE

Manager Koon and Director Miller presented their findings from the Ad Hoc Committee. Director Miller emphasized the importance of bringing new Treatment Plant staff on early, perhaps as early as October, to ensure they are ready and experienced by the time the plant becomes operational. President Enns asked if the Chief Plant Operator will be full or part time? Koon answered it will be a full time position.

President Enns opened the meeting to Public Comment.

Hearing no comments, Public Comment was closed.

Report received, no action needed.

12. DISCUSSION AND CONSIDERATION TO APPROVE FY 2020/21 CAYUCOS SANITARY DISTRICT BUDGET:
A. OPERATING BUDGET
B. CIP BUDGET

Manager Koon and Director Miller discussed the proposed budget for the upcoming fiscal year and reviewed some highlights from the Budget Committee meeting held on June 12, 2020.

President Enns opened the meeting to Public Comment.

Julie Tacker made a few observations on District revenue.

Hearing no further comments, Public Comment was closed.

MOTION: 1st by Miller, to approve FY 2020/21 Cayucos Sanitary District Operating Budget. Motion was seconded by Frank.

ROLLCALL VOTE: Miller-yes, Frank-yes, Lyon-yes, Chivens-yes, Enns-yes

VOTE 5-0 Motion passed

While reviewing the planned CIP budget, some questions arose regarding the Recycled Water Program. President Enns asked if Koon is planning on building something? Koon clarified that this is only a study as required by our regulatory permits. Vice President Chivens commented that he's comfortable with showing a budget deficit, and felt it was smart to proceed as if it's the worst case scenario. Director Miller agreed, adding that deferred maintenance could end up costing even more money.

President Enns opened the meeting to Public Comment.

Julie Tacker had several comments and offered her opinion that the estimate for the recycled water study is too low.

Hearing no further comments, Public Comment was closed.

MOTION: 1st by Frank, to approve FY 2020/21 Cayucos Sanitary District CIP Budget. Motion was seconded by Miller.

ROLLCALL VOTE: Frank-yes, Miller-yes, Lyon-yes, Chivens-yes, Enns-yes

VOTE 5-0 Motion passed

13. DISCUSSION AND CONSIDERATION TO ADOPT RESOLUTION 2020-3 ESTABLISHING CAYUCOS SANITARY DISTRICT'S FISCAL YEAR 2020/21 APPROPRIATIONS LIMIT

President Enns opened the meeting to Public Comment.

Hearing no comments, Public Comment was closed.

MOTION: 1st by Lyon, to adopt Resolution 2020-3 establishing Cayucos Sanitary District's fiscal year 2020/21 appropriations limit. Motion was seconded by Chivens.

ROLLCALL VOTE: Lyon-yes, Chivens-yes, Frank-yes, Miller-yes, Enns-yes

VOTE 5-0 Motion passed

14. CAYUCOS SUSTAINABLE WATER PROJECT STATUS UPDATE

Manager Koon updated the Board on the recent happenings with the CSWP. The contract for pipelines is in review with legal counsel, with work planned to start the second week of July. Lift Station 5 is out to bid and bids are due July 2nd. Two new contractors are interested and will do a job walk with Wade. They are working on getting internet to the site, and in July Koon hopes to take the Board for a tour.

15. BOARD MEMBER COMMENTS (This item is the opportunity for Board Members to make brief announcements and/or briefly report on their own activities related to District business.)

Director Miller reminded the Board that her baby is due soon, and it's possible she may not be able to attend the July meeting.

16. FUTURE SCHEDULED MEETINGS.

- July 16, 2020 – Regular Board Meeting
- August 20, 2020 – Regular Board Meeting
- September 17, 2020 – Regular Board Meeting

17. ADJOURNMENT

The meeting adjourned at 7:00p.m.

Minutes Respectfully Submitted By:

X

Amy Nelson
Billing Clerk

DRAFT

**Cayucos Sanitary District
General Checking Account
(Payments Only)
June 2020**

AGENDA ITEM: 3.B.1

DATE: July 16, 2020

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
06/01/2020	HLTH060520	CALPERS (HEALTH)	-9,178.47
06/01/2020	21590	POSTMASTER	-561.74
06/01/2020	21603	CHRISTIANE LEE	-88.00
06/01/2020	21615	CAYUCOS SANITARY DISTRICT WELLS FARGO ACT	-1,885.17
06/02/2020	21604	CAYUCOS SANITARY DISTRICT	-264.00
06/02/2020	21605	CHARTER INTERNET	-114.98
06/02/2020	21606	EXXONMOBIL	-341.16
06/02/2020	21607	KITZMAN WATER	-31.00
06/02/2020	21608	MINER'S ACE HARDWARE	-135.56
06/02/2020	21609	MORRO ROCK MUTUAL WATER CO. UTILITY 782	-66.34
06/02/2020	21610	QUICK TECH COMPUTERS	-525.00
06/02/2020	21611	STAPLES ADVANTAGE (Gov. Acct)	-76.47
06/03/2020	21616	LAKEY, NICK E	-11.27
06/08/2020	21634	PATHIAN ADMINISTRATORS	-144.79
06/10/2020	21617	BREZDEN PEST CONTROL	-123.00
06/10/2020	21618	CARMEL & NACCASHA LLP	-7,200.96
06/10/2020	21619	CAYUCOS BEACH MUTUAL WATER CO. #1	-90.30
06/10/2020	21620	MINER'S ACE HARDWARE	-371.93
06/10/2020	21621	MISSION UNIFORM SERVICE	-53.20
06/10/2020	21622	PG&E LS#1	-420.70
06/10/2020	21623	PG&E LS#2	-923.44
06/10/2020	21624	PG&E LS#3	-174.35
06/10/2020	21625	PG&E LS#4	-453.86
06/10/2020	21626	PG&E LS#5	-1,567.86
06/10/2020	21627	PG&E OFFICE	-178.89
06/10/2020	21628	STAPLES ADVANTAGE (Gov. Acct)	-12.64
06/10/2020	21629	STREAMLINE	-200.00
06/10/2020	21630	USA BLUE BOOK	-175.15
06/10/2020	21631	WELLS FARGO VENDOR FIN SERV	-213.43
06/10/2020	21633	CALNET3	-291.73
06/11/2020		QuickBooks Payroll Service	-10,611.68
06/11/2020	B2016310308	ALLIED ADMINISTRATORS FOR DELTA DENTAL	-424.48
06/12/2020	DD061220201	COLLINS, JONATHAN W	0.00
06/12/2020	DD061220203	GOOD, GAYLE	0.00
06/12/2020	DD061220205	LAKEY, NICK E	0.00
06/12/2020	DD061220207	NELSON, AMY M	0.00
06/12/2020	21612	CHIVENS, DAN P	-91.35
06/12/2020	21613	ENNS, ROBERT	-91.35
06/12/2020	DD061220202	FRANK, ROBERT W	0.00

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
06/12/2020	DD061220204	KOON, RICHARD L	0.00
06/12/2020	21614	LYON, SHIRLEY A	-91.35
06/12/2020	DD061220206	MILLER, HANNAH P	0.00
06/12/2020	EDD06122020	EDD	-986.77
06/12/2020	FED061220	US TREASURY	-4,655.62
06/12/2020	PERS061220	CALPERS (RETIREMENT)	-2,411.37
06/12/2020	DEF061220	CALPERS (RETIREMENT)	-925.00
06/16/2020	21635	OWENS, JUSTIN D	-118.51
06/16/2020	21636	ADVANTAGE ANSWERING PLUS	-91.19
06/16/2020	21637	AT&T MOBILITY	-161.79
06/16/2020	21638	CSA 10A SLO CO PW LS#3	-181.32
06/16/2020	21639	CSA 10A SLO CO PW LS#4	-181.32
06/18/2020	21640	HINSON'S TIRE PROS	-1,065.15
06/22/2020	EDD06222020	EDD	-988.32
06/22/2020	FED06222021	US TREASURY	-4,677.38
06/23/2020	21641	BUSINESS CARD 4841	-27.97
06/23/2020	21642	BUSINESS CARD 8913	-284.80
06/23/2020	21643	CITY OF MORRO BAY	-85,574.63
06/23/2020	21644	COASTAL COPY, INC	-44.44
06/23/2020	21645	EXECUTIVE JANITORIAL	-138.00
06/23/2020	21646	MISSION UNIFORM SERVICE	-189.99
06/23/2020	21647	SOCAL GAS	-21.56
06/23/2020	21648	STAPLES ADVANTAGE (Gov. Acct)	-132.08
06/25/2020		QuickBooks Payroll Service	-10,978.13
06/26/2020	DD062620201	COLLINS, JONATHAN W	0.00
06/26/2020	DD062620202	GOOD, GAYLE	0.00
06/26/2020	DD062620203	KOON, RICHARD L	0.00
06/26/2020	DD062620204	LAKEY, NICK E	0.00
06/26/2020	DD062620205	NELSON, AMY M	0.00
06/26/2020	DD062620206	OWENS, JUSTIN D	0.00
06/26/2020	PERS062620	CALPERS (RETIREMENT)	-2,500.64
06/26/2020	DEF062620	CALPERS (RETIREMENT)	-925.00
06/26/2020	12121241717	COLONIAL LIFE INSURANCE PREMIUMS	-172.20
06/29/2020	21649	THE SIGN PLACE	-564.45
06/29/2020	21650	EXXONMOBIL	-293.69
06/30/2020	21651	LAKEY, NICK E	-11.27
		Total Operating Expenses	-155,488.19

**Cayucos Sanitary District
CIP/CSWP Account
(Payments Only)
June 2020**

AGENDA ITEM: 3.B.1a

DATE: July 16, 2020

Date	Num	Name	Amount
06/02/2020	11415	ASHLEY & VANCE	0.00
06/02/2020	11416	DOWNEY BRAND	-1,120.50
06/02/2020	11417	J CALTON ENGINEERING	-11,871.00
06/10/2020	11418	ASHLEY & VANCE	-2,893.75
06/10/2020	11419	CARMEL & NACCASHA LLP	-4,671.60
06/10/2020	11420	WATER SYSTEMS CONSULTING, INC.	-15,531.25
06/29/2020	11421	ASHLEY & VANCE	-7,486.25
Total CIP Expenses			-43,574.35

**Cayucos Sanitary District
CSWP Construction Account
(Payments Only)
June 2020**

AGENDA ITEM: <u>3.B.1b</u>
DATE: <u>July 16, 2020</u>

Date	Num	Name	Amount
06/02/2020	5158	MOBILE MODULAR MANAGEMENT CORPORATION	-900.59
06/02/2020	5159	RANCH WIFI	-135.00
06/10/2020	5160	COASTAL COPY, INC	-37.59
06/10/2020	5161	CUSHMAN CONTRACTING CORPORATION	0.00
06/10/2020	5162	GEOSOLUTIONS, INC	-506.00
06/10/2020	5163	HARVEY'S HONEY HUTS	-383.36
06/10/2020	5164	WATER SYSTEMS CONSULTING, INC.	-114,881.02
06/10/2020	5165	CUSHMAN CONTRACTING CORPORATION	-1,151,716.00
06/10/2020	5166	CALNET3	-41.26
06/11/2020		WELLS FARGO-Bank fees	-27.75
06/16/2020	5167	PG&E TORO	-288.26
06/18/2020	5168	WELLS FARGO VENDOR FIN SERV	-249.98
06/26/2020	5169	CUSHMAN CONTRACTING CORPORATION	-1,920,675.00
06/26/2020	5170	FIRMA CONSULTANTS, INC	-1,467.50
06/26/2020	5171	GEOSOLUTIONS, INC	-5,205.50
06/26/2020	5172	WATER SYSTEMS CONSULTING, INC.	-114,288.16
06/29/2020	5173	HARVEY'S HONEY HUTS	-420.36
06/30/2020	5174	MOBILE MODULAR MANAGEMENT CORPORATION	-900.59
Total CSWP Construction Expenses			-3,312,123.92

Cayucos Sanitary District Cash, Savings and Investment Report June 2020

AGENDA ITEM: 3.B.2

DATE: July 16, 2020

Bank Accounts	Current Balance
Rabobank Checking	\$287,415
Wells Fargo CIP	\$1,215,778
Wells Fargo CFF	\$183,617
Petty Cash	\$175
LAIF	\$8,386
Total	\$1,695,371

CSWP Project/Asset Accounts	
Western Alliance Const. Interest Reserve	\$278,148
Western Alliance Series A Account	\$4,890,703
Western Alliance Series A-1 Account	\$2,163,382
Western Alliance Series B Account	\$0
WF CSWP Constr. Oper. Acct.	\$227,344
WF CSWP Constr. Impound Acct.	\$492,315
Total	\$8,051,892

Investments	Current Balance
Wells Fargo CalTrust	\$1,679,260
Cetera (AKA Girard) Cash/MM	\$731,303
Cetera (AKA Girard) Treasury/Securities	\$80,880
Mutual Funds	\$0
Total	\$2,491,443

Grand Total **\$12,238,706**

MCD Rabobank Deposit CD \$25,000 Franchise Deposit on Hold

(Includes 4 Accts: MMF, STF, LTF and Gov MMF)
(Fixed Income)

Cayucos Sanitary District FY 19/20 Financial Report June 2020

AGENDA ITEM: 3.B.3

DATE: July 16, 2020

	Current Month	YTD Actual Rev/Exp	YTD Budget	Approved Budget 19/20	% of Budget
Ordinary Income/Expense					
Income					
4000 · SEWER INCOME	243,916	2,899,201	2,749,360	2,749,360	105%
4100 · WILL SERVE INCOME	275	26,930	41,800	41,800	64%
4200 · RENTAL INCOME		38,708	36,200	36,200	107%
4300 · SOLID WASTE INCOME	2,531	84,840	70,800	70,800	120%
4400 · SLOCO TAX ASSESSMENTS	12,313	922,480	918,800	918,800	100%
4500 · SAVINGS INTEREST INCOME	3	217	200	200	108%
4600 · INVESTMENT INTEREST	4,042	78,643	73,800	73,800	107%
4700 · OTHER INCOME		42,563	75	75	56751%
Total Income	263,078	4,093,582	3,891,035	3,891,035	105%
Expense					
5000 · PAYROLL EXPENSES					
5100 · ADMINISTRATIVE PAYROLL	23,756	239,951	212,420	212,420	113%
5200 · COLLECTIONS PAYROLL	11,005	152,407	213,400	213,400	71%
5400 · DIRECTOR PAYROLL	500	6,100	8,000	8,000	76%
5500 · VESTED PAYROLL BENEFITS	417	4,950	5,000	5,000	99%
5600 · ADMIN PAYROLL TAXES & BENEFITS	8,338	113,928	98,050	98,050	116%
5700 · COLL PAYROLL TAXES & BENEFITS	5,596	91,477	110,300	110,300	83%
5900 · DIRECTOR PAYROLL TAXES & BENEFITS	38	467	425	425	110%
Total 5000 · PAYROLL EXPENSES	49,650	609,279	647,595	647,595	94%
6000 · OPERATING EXPENSES					
6050 · SPECIAL PROJECTS	-	-	16,000	16,000	0%
6100 · ADMIN OPERATING EXPENSES	36,230	293,937	349,050	349,050	84%
6500 · COLLECTIONS OPERATING EXPENSES	7,398	94,186	215,150	215,150	44%
7000 · TREATMENT OPERATING EXPENSES	85,575	265,603	706,500	706,500	38%
Total 6000 · OPERATING EXPENSES	129,203	653,726	1,286,700	1,286,700	51%
Total Expense	178,853	1,263,005	1,934,295	1,934,295	65%
Net Ordinary Income	84,226	2,830,577	1,956,740	1,956,740	145%
Net Income	84,226	2,830,577	1,956,740	1,956,740	145%

Cayucos Sanitary District Capital Improvement Projects Report FY 19/20 June 2020

AGENDA ITEM: 3.B.4 DATE: July 16, 2020

	Current Month	YTD Actual Rev/Exp	Approved Budget 19/20	Percent Used YTD
CAPITAL IMPROVEMENTS				
1601 - Sewer Main Replacements	0.00	0.00	60,000.00	0%
1602 - Point Repairs	0.00	13,011.85	30,000.00	43%
1608 - MAIN OFFICE BUILDING REPAIRS				
1608.2 - Main Office Storm Damage	0.00	0.00	40,000.00	0%
1608.3 - Computer/Server Replacement	0.00	22,331.21	25,000.00	89%
1612 - ALL LIFT STATIONS				
1612.1 - Lift Station SCADA System	0.00	0.00	100,000.00	0%
1612.2 - Lift Station 2 Pump Replacement	0.00	45,979.44	46,000.00	100%
1612.3 - VacTron Trailer (Vermeer)	0.00	51,077.92	54,000.00	95%
1613 - CALTRANS TC BRIDGE PROJECT				
1613.1 - Toro Creek Bridge Project	0.00	31,466.25	31,540.00	100%
Total 1600 CAPITAL IMPROVEMENTS	0.00	\$163,866.67	\$386,540.00	42%

TO: Board of Directors

FROM: Rick Koon

SUBJECT: Reimbursement Report FY 19/20

DATE: July 16, 2020

Background: In accordance with Government Code 53065.5:

Each special district, as defined by subdivision (a) of Section 56036, shall, at least annually, disclose any reimbursement paid by the district within the immediately preceding fiscal year of at least one hundred dollars (\$100) for each individual charge for services or product received. "Individual charge" includes, but is not limited to, one meal, lodging for one day, transportation, or a registration fee paid to any employee or member of the governing body of the district. The disclosure requirement shall be fulfilled by including the reimbursement information in a document published or printed at least annually by a date determined by that district and shall be made available for public inspection.

I have reviewed the Accounts Payable records for the fiscal year ended 6/30/2020, and found the following charges are subject to disclosure:

Attachments:

- 2019/2020 Employee Reimbursement Report

Individual	Description	Amount Paid
Jon Collins	Work boot allowance	\$117.55
Nick Lakey	Work boot allowance & mileage reimbursement for after-hours call outs	\$255.18
Justin Owens	Work boot allowance	\$118.51



AGENDA ITEM: 4.A

DATE: July 16, 2020

CAYUCOS SANITARY DISTRICT

TO: Board of Directors

FROM: Rick Koon
District Manager

SUBJECT: Monthly Managers Report: July 2020

DATE: July 09, 2020

ADMINISTRATIVE:

- Administrative Staff continues to cross training each other on various job duties.
- Operations Staff is training their newest member, Justin Owens. Justin is learning quickly and is a good addition to our team.
- The District continues observe the protocols for reopening the office due to COVID-19.
- District Staff has completed the transition from Rabobank to Mechanics bank for our billing system and Desktop Deposit system.
- The auditors completed their preliminary review with just a few questions. They will be back in August for the final review for Fiscal Year 19/20.

CAPITAL PROJECTS:

- Working with USDA and CSWP contracts
- LAFCO application process for District Boundary
- Lift Station 5 Project Rebid
- Toro Creek Pipeline Project Contract Finalization
- Caltrans Bridge Replacement Project
- RWQCB permit discussions
- District SCADA Project

OPERATIONS AND MAINTENANCE

June 2020

CIP:

- Assist Pro3Automation with SCADA system research and installation

Daily operations of note:

- H2S leaving lift station #5 Average 0 ppm Max 23 ppm
- Lift Station #5 - average temperature 71.2° f
- Lift Station #1 - average pH 8.9
- Target Solutions Training for SDRMA
- Respond to 61 Underground Service Alerts
- Performed regular maintenance at all stations:
Scrape, pump down, bleach wells, test generators, high water floats and dialers
- Regular inspections of hot spot manholes
- COVID-19 Wastewater sampling
- Jet 2,536ft
- Paint office
- Justin Owens began employment at the District
- FY20/21 Budget
- Rebuild flush valve at Lift Station 3
- New tires and alignment for F-550
- Trim bushes at office
- Rebuild office and shop toilets
- Cut bushes back on easements
- Fire extinguisher training

Call outs:

- 6/09/2020 – NL – Lift Station 5 – Power failure
- 6/28/2020 – JC – Bella Vista Park – Odor complaint



AGENDA ITEM: 5

DATE: July 16, 2020

CAYUCOS SANITARY DISTRICT

TO: Board of Directors

FROM: Rick Koon
District Manager

DATE: July 09, 2020

SUBJECT: DISCUSSION AND CONSIDERATION TO APPROVE THE PURCHASE AND SALE AGREEMENT FOR LOTS 6N (APN 073-075-016) AND 6SW (APN 065-022-011)

Discussion:

This Purchase and Sale Agreement (“PSA”) is for the sale of the 2 Dog Beach lots that the District created as part of the 4 lot transactions with Chevron Land and Development. The formation of these lots was approved by the California Coastal Commission in September 2019, as part of the District’s Coastal Development Permit for the outfall. The sale of these lots will be to the City of Morro Bay with funding provided by the Trust for Public Lands and the San Luis Obispo Land Conservancy. The purchase price of the lots for \$338,050.00 is the price that the District purchased them for from Chevron last year. The purchase price was recently confirmed by an updated appraisal as stated in the PSA.

Currently the City of Morro Bay is reviewing the final draft of the PSA with discussions centered around indemnifications. The District’s point of view is that we are passing along the same indemnifications as we received from Chevron.

Also, the District will serve a 20-foot easement for the installation and maintenance of pipelines on the northern portion of lot 6N, adjacent to the westerly Caltrans right of way.

Recommendation

Staff recommends the Board approve the Purchase and Sale Agreement for lots 6N (APN 073-075-016) and 6SW (APN 065-022-011) for the price of \$338,050.00 subject to the final draft approval of the District legal counsel.

**AGREEMENT FOR PURCHASE AND SALE
OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS**

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS ("**Agreement**") is made this ___ day of _____, 2020 by and between the CITY OF MORRO BAY, a California municipal corporation ("**Buyer**"), and CAYUCOS SANITARY DISTRICT, a political subdivision of the State of California ("**Seller**").

RECITALS:

A. Seller is the fee owner of certain unimproved land consisting of approximately 15.26 acres located along the sea shore in the City of Morro Bay, County of San Luis Obispo, State of California, identified as APNs portions of 065-022-008 and all of 073-075-016 and legally described on Exhibit A-1 and depicted on Exhibit A-2 ("**Property**"). The Property is commonly referred to as "Dog Beach." The Property is comprised of two (2) parcels which are separately identified on Exhibits A-1 and A-2 as Lot 6SW and Lot 6NW.

B. Seller acquired the Property from Chevron Land and Development Company, a Delaware corporation ("**Chevron**") as follows: (i) Lot 6NW was acquired pursuant to that certain Grant Deed recorded on September 17, 2019 as Instrument No. 2019-039327 in the Official Records of San Luis Obispo County ("**Official Records**"); and (ii) Lot 6SW was acquired that certain Grant Deed recorded on September 17, 2019 as Instrument No. 2019-039329 in the Official Records ("**Grant Deeds**") both of which contain certain provisions which purport to run with the land as covenants.

C. Seller acquired Lot 6SW subject to rights in favor of Chevron as contained in that certain Memorandum of Repurchase Rights/Options recorded September 17, 2019 as Instrument No. 2019-039330 in the Official Records ("**Repurchase Rights**") which must be released of record prior to closing pursuant to documents acceptable to the Title Company ("**Chevron Release**").

D. Seller, Buyer, Chevron and The Trust for Public Land, a California non-profit public benefit corporation ("**TPL**"), previously executed that certain Memorandum of Understanding dated January 31, 2020 as amended by that certain First Amendment to Memorandum of Understanding dated _____, 2020 (collectively the "**MOU**"). Although the MOU is not contractually binding, the parties are working in good faith to accomplish the transaction reflected therein.

E. TPL has committed to provide One Hundred Eighty-Three Thousand Fifty (\$183,050) of the funds for Buyer to acquire the Property ("**TPL Contribution**"). As consideration for the TPL Contribution, Buyer is obligated to execute and acknowledge in a form as required by the State Coastal Conservancy ("**Conservancy**") an irrevocable offer to dedicate the Property to the Conservancy which will contain covenants and restrictions on the use, encumbrance and transferring or conveying and which will be recorded against the Property immediately following Buyer's acquisition of title ("**Conservancy Restriction Agreement**").

F. Seller desires to sell to Buyer and Buyer agrees to buy, the Property upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and incorporating the Recitals, the parties hereto agree as follows:

TERMS AND CONDITIONS:

1. PURCHASE AND SALE OF PROPERTY. Pursuant to the terms and subject to the

conditions of this Agreement, Buyer agrees to purchase from Seller and Seller agrees to sell to Buyer, the Property in AS-IS condition.

2. EFFECTIVE DATE; OPENING OF ESCROW.

2.1 Effective Date. This Agreement shall be deemed effective upon the last to occur of: (i) execution of this Agreement by Seller after the approval of its Board; and (ii) execution of this Agreement by Buyer after approval of the City Council ("**Effective Date**").

2.2 Opening of Escrow. Within three (3) days after the Effective Date, the parties shall open an escrow (Escrow) with First American Title Insurance Company (Escrow Holder) Lisa A. Bertrand, 899 Pacific Street, San Luis Obispo, CA 93401 (805 786-2038 lbertrand@firstam.com) by causing an executed copy of this Agreement to be deposited with Escrow Holder which Escrow Holder shall sign and accept. Escrow shall be deemed opened upon the last to occur of ("**Opening of Escrow**"): (i) the executed copy of this Agreement; and (ii) the Deposit (defined in Section 3.2.a).

3. PURCHASE PRICE; PAYMENT OF PURCHASE PRICE.

3.1 Purchase Price. The purchase price of the Property is Three Hundred Thirty-Eight Thousand Fifty Dollars (\$338,050) ("**Purchase Price**") which is the purchase price paid by Seller to acquire the Property from Chevron. The Purchase Price has been affirmed as the fair market value as set forth in that certain third party appraisal dated May 15, 2019 prepared by Schenberger, Taylor, McCormick and Jecker, Inc.

3.2 Payment of Purchase Price.

a. **Deposit.** Within three (3) days of the Effective Date, Buyer shall deliver to Escrow Holder the sum of One Thousand Dollars (\$1,000) ("**Deposit**").

b. Balance of Purchase Price.

(i) TPL shall deliver the TPL Contribution to Escrow Holder in Good Funds (as defined below) at least one (1) business day prior to the Closing Date.

(ii) Buyer shall deliver the balance of the Purchase Price to Escrow Holder in Good Funds at least one (1) business day prior to the Closing Date.

3.3 Good Funds. All funds deposited in Escrow shall be in "**Good Funds**" which means a wire transfer of funds, cashier's or certified check drawn on or issued by the offices of a financial institution located in the State of California.

4. FUNDS AND DOCUMENTS REQUIRED FROM BUYER AND SELLER.

4.1 Seller. Seller agrees that on or before 12:00 noon at least one (1) business day prior to the Closing Date, Seller will deposit (or cause to be deposited) with Escrow Holder such funds and other items and instruments (executed and acknowledged, if appropriate) as may be necessary in order for the Escrow Holder to comply with this Agreement, including without limitation:

- i. Grant Deed in the form of Exhibit B ("**Grant Deed**").
- ii. Chevron Release.
- iii. A Non-Foreign Affidavit as required by federal law.

- iv. Two (2) copies of an Assignment of Intangibles in the form of Exhibit C (“**Assignment**”).
- v. An owner’s affidavit and any other document, instrument or agreement necessary to consummate the transactions contemplated herein reasonably requested by the Title Company.
- vi. Such funds and other items and instruments as may be necessary in order for Escrow Holder to comply with this Agreement.

4.2 Buyer. Buyer agrees that on or before 12:00 noon at least one (1) business day prior to the Closing Date, Buyer will deposit (or cause to be deposited) with Escrow Holder all additional funds and/or documents (executed and acknowledged, if appropriate) which are necessary to comply with the terms of this Agreement, including without limitation:

- i. The balance of the Purchase Price.
- ii. Two (2) copies of the Assignment.
- iii. Conservancy Restriction Agreement executed by the Conservancy and Buyer.
- iv. The executed Certificate of Acceptance Deed to be attached to the Grant Deed (“**Certificate of Acceptance**”).
- v. Preliminary Change of Ownership Statement completed in the manner required in San Luis Obispo County (“**PCOR**”).
- vi. Such funds and other items and instruments as may be necessary in order for Escrow Holder to comply with this Agreement.

4.3 Recordation, Filing, Completion and Distribution of Documents. Escrow Holder shall confirm that any documents signed in counterpart are matching documents and shall combine the signature pages thereof so as to create fully executed documents. Escrow Holder will cause the Chevron Release, the Grant Deed (with the Certificate of Acceptance attached) and Conservancy Restriction Agreement (“**Recording Documents**”) to be recorded in that specific order in the Official Records of San Luis Obispo County so it can issue the Title Policy in accordance with Section 6.2. Promptly following Close of Escrow, Escrow Holder shall distribute Escrow Holder’s final closing statement, conformed copies of all recorded documents, and the Assignment to the parties.

5. CLOSING DATE; TIME IS OF ESSENCE.

5.1 Closing Date. Escrow shall close upon the later to occur of: (i) thirty (30) days after the Effective Date, and (ii) ten (10) days after the Due Diligence Expiration Date (“**Closing Date**”). The terms “**Close of Escrow**” and/or “**Closing**” are used herein to mean the time Recording Documents are filed for recording by the Escrow Holder in the Official Records.

5.2 Possession. Upon the Close of Escrow, Seller shall deliver exclusive possession of the Property to Buyer.

5.3 Time is of Essence. Buyer and Seller specifically agree that time is of the essence under this Agreement.

5.4 Authority of Executive Director. Seller by its execution of this Agreement agrees that its District Manager or his/her designee (who has been designated by District Manager's written notice delivered to Buyer and Escrow Holder) shall have the authority to execute documents on behalf of Seller including, but not limited to, issuing approvals, disapprovals and extensions. Any such approval, disapproval or extension executed by the District Manager or his/her designee shall be binding on Seller.

5.5 Authority of City Manager. Buyer by its execution of this Agreement agrees that its City Manager or his/her designee (who has been designated by City Manager's written notice delivered to Seller and Escrow Holder) shall have the authority to execute documents on behalf of Buyer including, but not limited to, issuing approvals, disapprovals and extensions. Any such approval, disapproval or extension executed by the City Manager or his/her designee shall be binding on Buyer.

6. TITLE POLICY.

6.1 Title Approval. Buyer has received that certain preliminary title report #6192204 issued by First American Title Insurance Company ("**Title Company**") (amended) dated as of May 1, 2020 ("**PTR**") and approves (i) Exceptions 3 through 19, inclusive, & 24 of the PTR; (ii) the Conservancy Restriction Agreement; and (iii) any exceptions caused by Buyer (collectively the "**Approved Exceptions**"). Buyer's title approval also requires the following endorsements to be issued: (i) against surface right of entry; and (endorsements ALTA 9.1-06; 19-06; and 8.2-06 ("**Required Endorsements**").

6.2 Amendments to PTR. Upon the issuance of any amendment or supplement to the PTR which adds exceptions, Buyer shall have ten (10) days to approval or disapprove in writing any additional exception. If Buyer disapproves same, Seller shall have five (5) days to agree to cause the exception to be removed or endorsed by an endorsement reasonably acceptable to Buyer which endorsement shall be a Required Endorsements.

6.3 Title Policy. At the Close of Escrow, Escrow Holder shall furnish Buyer with an ALTA non-extended owner's policy of title insurance insuring title to the Property vested in Buyer with coverage in the amount of the Purchase Price showing only the Approved Exceptions together with the Required Endorsements ("**Title Policy**"). The cost of the Title Policy to Buyer shall be paid by Seller but Buyer shall be obligated pay for any additional endorsements except the Required Endorsements. If Buyer desires to obtain an ALTA extended coverage owner's title policy, Buyer shall deliver an ALTA survey, at Buyer's cost, to Title Company at least ten (10) days prior to the Closing Date and Buyer shall pay the additional cost for the extended coverage.

7. DUE DILIGENCE.

7.1 Due Diligence. Prior to the Effective Date, Seller has provided to Buyer a copy of that an Environmental Phase I Site Assessment dated February 20, 2020 issued by Haro Environmental ("**Phase I Report**"). Within two (2) days of the Effective Date, Seller shall deliver all other information and reports regarding the Property in its possession to Buyer. Escrow Holder is directed to order the NHD Report as defined below. Buyer shall have the right at its cost to conduct such engineering, feasibility studies, soils tests, environmental studies and other investigations as Buyer, in its sole discretion, may desire, to permit Buyer to determine the suitability of the Property for Buyer's contemplated uses and to conduct such other review and investigation which Buyer deems appropriate. The Phase I Report, the NHD Report and all other documents delivered to Buyer are collectively hereinafter referred to as "**Disclosure Documents.**" Buyer acknowledges that any information and materials provided or to be provided by Seller with respect to the Property (including,

without limitation, the Disclosure Documents) were obtained from a variety of sources and third parties, and that Seller has not made any independent investigation or verification of such information and materials, and that Seller therefore disclaims any representations or warranties as to the accuracy or the completeness of such information and materials.

7.2 Due Diligence Expiration Date. Buyer shall have ten (10) days from receipt of the Disclosure Documents ("**Due Diligence Expiration Date**") to review and approve the condition of the Property and the Disclosure Documents. If Buyer disapproves the condition of the Property, Buyer must deliver to Seller written notice of such disapproval and its election to terminate this Agreement ("**Termination Notice**"). If Buyer does not deliver Termination Notice in the time and manner specified, Buyer shall be deemed to have approved the condition of the Property.

7.3 Natural Hazard Disclosure Report. Upon Opening of Escrow, Escrow Holder shall promptly order a commercial Natural Hazards Disclosure report for the Property from First American Natural Hazard Disclosures ("**NHD Report**") to be promptly delivered to Buyer for Buyer's approval.

Right to Enter the Property. As of the Effective Date, Seller grants Buyer, its agents and employees a limited license to enter upon the Property for the purpose of conducting engineering surveys, soil tests, investigations or other studies reasonably necessary to evaluate the condition of the Property, which studies, surveys, reports, investigations and tests shall be done at Buyer's sole cost and expense. Prior to entry onto the Property, Buyer shall (i) conduct all studies in a diligent, expeditious and safe manner and not allow any dangerous or hazardous conditions to occur on the Property during or after such investigation; (ii) comply with all applicable laws and governmental regulations; (iii) keep the Property free and clear of all materialmen's liens, lis pendens and other liens arising out of the entry and work performed under this provision; (iv) maintain insurance for an all-risk public liability insurance policy written on a per occurrence and not claims made basis in a combined single limit of not less than TWO MILLION DOLLARS (\$2,000,000) which insurance names Seller as additional insured; and (v) agree to defend, indemnify and hold the Seller harmless from all claims, liabilities, damages, losses, costs, expenses (including, without limitation, reasonable attorneys' fees), actions and causes of action arising out of any entry onto the Property by, or any Inspections or studies performed by Buyer, its agents, contractors or representatives.

8. CONDITIONS PRECEDENT TO CLOSE OF ESCROW.

8.1 Conditions to Buyer's Obligations. The obligations of Buyer under this Agreement are subject to the satisfaction or written waiver, in whole or in part, by Buyer of each of the following conditions precedent ("**Buyer's Conditions Precedent**"):

- i. Title Company will issue the Title Policy as specified in Section 6.3.
- ii. Chevron has delivered the Chevron Release to Escrow Holder.
- iii. The TPL Funds have been delivered to Escrow Holder to be applied to the Purchase Price.
- iv. The Conservancy Restriction Agreement has been delivered to Escrow Holder with authorization to record it.
- v. Seller is not in default of its obligations under this Agreement.

8.2 Conditions to Seller's Obligations. The obligations of Seller under this Agreement are subject to the satisfaction or written waiver, in whole or in part, by Seller of the following

conditions precedent:

- i. The balance of the Purchase Price has been delivered to Escrow Holder.
- ii. Chevron has delivered the Chevron Release to Escrow Holder with authorization to record it.
- iii. Escrow Holder holds and will deliver to Seller the instruments and funds accruing to Seller pursuant to this Agreement.
- iv. Buyer is not in default of its obligations under this Agreement.

9. LIQUIDATED DAMAGES. IF BUYER SHOULD DEFAULT UNDER THIS AGREEMENT, THEN BUYER AND SELLER AGREE THAT SELLER WILL INCUR DAMAGES BY REASON OF SUCH DEFAULT BY BUYER OR FAILURE OF ESCROW TO CLOSE ON OR BEFORE THE CLOSING DATE, WHICH DAMAGES SHALL BE IMPRACTICAL AND EXTREMELY DIFFICULT, IF NOT IMPOSSIBLE, TO ASCERTAIN. BUYER AND SELLER, IN A REASONABLE EFFORT TO ASCERTAIN WHAT SELLER'S DAMAGES WOULD BE IN THE EVENT OF SUCH DEFAULT BY BUYER HAVE AGREED BY PLACING THEIR INITIALS BELOW THAT THE DEPOSIT SHALL BE DEEMED TO CONSTITUTE A REASONABLE ESTIMATE OF SELLER'S DAMAGES UNDER THE PROVISIONS OF SECTION 1671 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. IN THE EVENT OF AND FOR SUCH DEFAULT BY BUYER, THE DEPOSIT SHALL BE SELLER'S SOLE MONETARY REMEDY THEREFOR, UNLESS BUYER WRONGFULLY REFUSES TO CAUSE ESCROW HOLDER TO CANCEL THE ESCROW, IN WHICH INSTANCE SELLER SHALL ALSO BE ENTITLED TO ALL ACTUAL THIRD-PARTY COSTS AND EXPENSES, INCLUDING REASONABLE ATTORNEYS' FEES INCURRED BY SELLER WHICH MAY RESULT FROM BUYER'S WRONGFUL FAILURE TO CANCEL THE ESCROW AND THIS AGREEMENT. THE FOREGOING LIMITATION OF DAMAGES SHALL NOT APPLY TO BUYER'S INDEMNITY OBLIGATIONS.

Seller's Initials

Buyer's Initials

10. SELLER'S REPRESENTATIONS, WARRANTIES AND COVENANTS.

10.1. Representations and Warranties. Seller makes the following representations to Buyer, which is true in all respects as of the Effective Date and shall be true in all respects as of the Close of Escrow:

Seller has the power to execute, deliver and perform Seller's obligations under this Agreement including the documents to be executed and delivered by Seller pursuant to this Agreement.

10.2. Survival of Representations and Warranties. The representations and warranties in this Section 10 shall survive the Closing and delivery of the Grant Deed.

10.3. Seller Covenants. Until Closing, Seller shall not do anything which would impair Seller's title to the Property. If Seller learns of any fact or condition which would cause any of the warranties and representations in this Section not to be true as of the Closing, Seller shall immediately give written notice of such fact or condition to Buyer.

11. CONDITION OF THE PROPERTY.

11.1. Limited Disclaimer of Warranties. Upon the Close of Escrow, Buyer shall acquire the Property in its "AS-IS" condition without any representations and warranties except as specifically set forth in this Agreement and Buyer shall be responsible for any defects in the Property, whether patent or latent, including, without limitation, the physical, environmental and geotechnical condition of the Property, and the existence of any contamination, Hazardous Materials, vaults, debris, pipelines, or other structures located on, under or about the Property. Except as specifically set forth in this Agreement, Seller makes no other representation or warranty concerning the physical, environmental, geotechnical or other condition of the Property.

11.2. Hazardous Materials. Buyer understands and agrees that, in the event Buyer incurs any loss or liability concerning Hazardous Materials (as hereinafter defined) and/or underground storage tanks whether attributable to events occurring prior to or following the Closing, then Buyer may look to prior owners of the Property, but in no event shall Buyer look to or pursue Seller for any liability or indemnification regarding Hazardous Materials and/or underground storage tanks. Buyer, from and after the Closing, hereby waives, releases, remises, acquits and forever discharges Seller, and each of the entities constituting Seller, if any, of and from any and all Environmental Claims, Environmental Cleanup Liability and Environmental Compliance Costs, as those terms are defined below, and from any and all actions, suits, legal or administrative orders or proceedings, demands, actual damages, punitive damages, loss, costs, liabilities and expenses, which concern or in any way relate to the physical or environmental conditions of the Property, the existence of any Hazardous Material thereon, or the release or threatened release of Hazardous Materials there from, whether existing prior to, at or after the Closing. It is the intention of the parties pursuant to this release that any and all responsibilities and obligations of Seller, and any and all rights, claims, rights of action, causes of action, demands or legal rights of any kind of Buyer, its successors, assigns or any affiliated entity of Buyer, has against the Seller, arising by virtue of the physical or environmental condition of the Property, the existence of any Hazardous Materials thereon, or any release or threatened release of Hazardous Material there from, whether existing prior to, at or after the Closing, are by this release provision declared null and void and of no present or future force and effect as to the parties; provided, however, that no parties other than the Indemnified Parties (defined below) shall be deemed third party beneficiaries of such release.

In connection therewith, Buyer and each of the entities constituting Buyer, expressly agree to waive any and all rights which said party may have with respect to such released claims under Section 1542 of the California Civil Code which provides as follows:

"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

Buyer Initials _____

Seller Initials _____

Buyer and each of the entities constituting Buyer, shall, from and after the Closing, defend, indemnify and hold harmless Seller, its directors, officers, officials, employees, agents and representatives (collectively, the "Indemnified Parties") from and against any and all Environmental Claims, Environmental Cleanup Liability, Environmental Compliance Costs, and any other claims, actions, suits, legal or administrative orders or proceedings, demands or other liabilities resulting at any time from the physical and/or environmental conditions of the Property whether before or after the Closing or from the existence of any Hazardous Materials or the release or threatened release of any Hazardous Materials of any kind whatsoever, in, on or under the Property occurring at any time whether before or after the Closing, including, but not limited to, all foreseeable and unforeseeable damages, fees, costs, losses and expenses, including any and reasonable attorneys'

fees and environmental consultant fees and investigation costs and expenses, directly or indirectly arising there from, and including fines and penalties of any nature whatsoever, assessed, levied or asserted against any Indemnified Parties to the extent that the fines and/or penalties are the result of a violation or an alleged violation of any Environmental Law.

For purposes of this Agreement, the following terms shall have the following meanings:

“Environmental Claim” means any claim for personal injury, death and/or property damage made, asserted or prosecuted by or on behalf of any third party, including, without limitation, any governmental entity, relating to the Property or its operations and arising or alleged to arise under any Environmental Law.

“Environmental Cleanup Liability” means any cost or expense of any nature whatsoever incurred to contain, remove, remedy, clean up, or abate any contamination or any Hazardous Materials on or under all or any part of the Property, including the ground water hereunder, including, without limitation, (i) any direct costs or expenses for investigation, study, assessment, legal representation, cost recovery by governmental agencies, or ongoing monitoring in connection therewith and (ii) any cost, expense, loss or damage incurred with respect to the Property or its operation as a result of actions or measures necessary to implement or effectuate any such containment, removal, remediation, treatment, cleanup or abatement.

“Environmental Compliance Cost” means any cost or expense of any nature whatsoever necessary to enable the Property to comply with all applicable Environmental Laws in effect. “Environmental Compliance Cost” shall include all costs necessary to demonstrate that the Property is capable of such compliance.

“Environmental Law” means any federal, state or local statute, ordinance, rule, regulation, order, consent decree, judgment or common-law doctrine, and provisions and conditions of permits, licenses and other operating authorizations relating to (i) pollution or protection of the environment, including natural resources, (ii) exposure of persons, including employees, to Hazardous Materials or other products, raw materials, chemicals or other substances, (iii) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical substances from industrial or commercial activities, or (iv) regulation of the manufacture, use or introduction into commerce of chemical substances, including, without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage and disposal.

“Hazardous Material(s)” is defined to include any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California, or the United States Government. The term “Hazardous Material” includes, without limitation, any material or substance which is: (i) petroleum or oil or gas or any direct or derivate product or byproduct thereof; (ii) defined as a “hazardous waste,” “extremely hazardous waste” or “restricted hazardous waste” under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code; (iii) defined as a “hazardous substance” under Section 25316 of the California Health and Safety Code; (iv) defined as a “hazardous material,” “hazardous substance,” or “hazardous waste” under Sections 25501(o) and (p) and 25501.1 of the California Health and Safety Code (Hazardous Materials Release Response Plans and Inventory); (v) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code (Underground Storage of Hazardous Substances); (vi) “used oil” as defined under Section 25250.1 of the California Health and Safety Code; (vii) asbestos; (viii) listed under Article 9 or defined as hazardous or extremely hazardous pursuant to Article 1 of Title 22 of the California Code of Regulations, Division 4, Chapter 30; (ix) defined as “waste” or a “hazardous substance” pursuant to the Porter-Cologne Act, Section 13050 of the California Water Code; (x) designated as a “toxic

pollutant” pursuant to the Federal Water Pollution Control Act, 33 U.S.C. §1317; (xi) defined as a “hazardous waste” pursuant to the Federal Resource Conservation and Recovery Act, 42 U.S.C. §6901, et seq. (42 U.S.C. §6903); (xii) defined as a “hazardous substance” pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601, et seq. (42 U.S.C. §9601); (xiii) defined as “Hazardous Material” or a “Hazardous Substance” pursuant to the Hazardous Materials Transportation Act, 49 U.S.C. §1801, et seq.; or (xiv) defined as such or regulated by any “Superfund” or “Superlien” law, or any other federal, state or local law, statute, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning Hazardous Materials, oil wells, underground storage tanks, and/or pipelines, as now, or at any time hereafter, in effect.

Buyer’s release and indemnification as set forth in the provisions of this Section shall survive the Closing and shall continue in perpetuity. Nothing herein shall limit Buyer’s rights to pursue any other prior owners who may be liable for any contamination or other matters affecting the Property.

11.3. Buyer’s General Indemnification. Buyer agrees to and does hereby indemnify, defend, and hold harmless the indemnified parties from and against any and all claims made or any loss incurred (including reasonable attorneys’ fees) caused by buyer’s ownership, use or occupancy of the property from and after the close of escrow. In the event that this indemnity provision is judicially determined to exceed that permitted by applicable law, then this indemnity provision shall be construed so as to preserve the maximum indemnity permitted thereby. This indemnification provision shall survive the closing and continue in perpetuity.

12. ESCROW PROVISIONS.

12.1 Escrow Instructions. Sections 1 through 6, 8, and 12 through 14 constitute the escrow instructions to Escrow Holder. If required by Escrow Holder, Buyer and Seller agree to execute Escrow Holder’s standard escrow instructions, provided that the same are consistent with and do not conflict with the provisions of this Agreement. In the event of any such conflict, the provisions of this Agreement shall prevail. The terms and conditions in sections of this Agreement not specifically referenced above are additional matters for information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder’s general provisions directly from Escrow Holder and will execute such provision upon Escrow Holder’s request. To the extent that the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller agree to execute additional instructions, documents and forms provide by Escrow Holder that are reasonably necessary to close Escrow.

12.2 General Escrow Provisions. Escrow Holder shall deliver the Title Policy to the Buyer and instruct the San Luis Obispo County Recorder to mail (i) the Chevron Release and the Grant Deed to Buyer at the address set forth in Section 13 after recordation; and (ii) the Conservancy Restriction Agreement to the Conservancy as set forth at the top of that document. All funds received in this Escrow shall be deposited in one or more general escrow accounts of the Escrow Holder with any bank doing business in Southern California, and may be disbursed to any other general escrow account or accounts. All disbursements shall be according to that party’s instructions.

12.3 NO Proration of Real Property Taxes. As both parties are public agencies, no proration of real estate taxes shall be made. However, any real property taxes applicable to the Property for any reason shall be the sole responsibility of Seller.

12.4 Payment of Costs.

- a. **Cost Allocation.** Seller shall pay the costs for the Title Policy (non-extended ALTA owner's policy), all Required Endorsements, the cost of the NHD Report, and one-half (1/2) of the escrow costs ("**Seller's Charges**"). Buyer shall pay the cost of any additional endorsements to the Title Policy requested by Buyer or for ALTA extended coverage owner's policy (as provided in Section 6.3), one-half (1/2) of the escrow fees, and any charges incurred by Buyer's acts ("**Buyer's Charges**").

NOTE: No documentary transfer taxes are payable pursuant to R&T Code Section 11922. No recording fees are payable for any of the Recording Documents as all the parties are governmental agencies exempt under Govt Code Section 6103.

All other costs of Escrow not otherwise specifically allocated by this Agreement shall be apportioned between the parties in a manner consistent with the custom and usage of Escrow Holder.

- b. **Closing Statement.** At least two (2) business days prior to the Closing Date, Escrow Holder shall furnish Buyer and Seller with a preliminary Escrow closing statement which shall include each party's respective shares of costs. The preliminary closing statement shall be approved in writing by the parties. As soon as reasonably possible following the Close of Escrow, Escrow Holder shall deliver a copy of the final Escrow closing statement to each party.

12.5 Termination and Cancellation of Escrow. If Escrow fails to close due to a failure of a condition precedent, then the party in whose favor the condition precedent runs may elect to cancel this Escrow upon written notice to the other party and Escrow Holder. Upon cancellation, Escrow Holder is instructed to return (i) the funds in accordance with the foregoing provisions of this Agreement, and (ii) all documents then in Escrow to the respective depositor of the same with Escrow Holder. Cancellation of Escrow, as provided herein, shall be without prejudice to whatever legal rights Buyer or Seller may have against each other arising from the Escrow or this Agreement.

12.6 Information Report. Escrow Holder shall file and Buyer and Seller agree to cooperate with Escrow Holder and with each other in completing any report ("**Information Report**") and/or other information required to be delivered to the Internal Revenue Service pursuant to Internal Revenue Code Section 6045I regarding the real estate sales transaction contemplated by this Agreement, including without limitation, Internal Revenue Service Form 1099-B as such may be hereinafter modified or amended by the Internal Revenue Service, or as may be required pursuant to any regulation now or hereinafter promulgated by the Treasury Department with respect thereto. Buyer and Seller also agree that Buyer and Seller, their respective employees and attorneys, and Escrow Holder and its employees, may disclose to the Internal Revenue Service, whether pursuant to such Information Report or otherwise, any information regarding this Agreement or the transactions contemplated herein as such party reasonably deems to be required to be disclosed to the Internal Revenue Service by such party pursuant to Internal Revenue Code Section 6045I, and further agree that neither Buyer nor Seller shall seek to hold any such party liable for the disclosure to the Internal Revenue Service of any such information.

12.7 No Withholding as Foreign Seller. Seller represents and warrants to Buyer that Seller is not, and as of the Close of Escrow will not be, a foreign person within the meaning of Internal Revenue Code Section 1445 or an out-of-state seller under California Revenue and Tax Code Section 18805 and that it will deliver to Buyer on or before the Close of Escrow a non-foreign affidavit

on Escrow Holder's standard form pursuant to Internal Revenue Code Section 1445(b)(2) and the Regulations promulgated thereunder and a California Form 590-RE.

12.8 Brokerage Commissions. Seller and Buyer each represent and warrant to the other that no third party is entitled to a broker's commission and/or finder's fee with respect to the transaction contemplated by this Agreement. Buyer and Seller each agree to indemnify and hold the other parties harmless from and against all liabilities, costs, damages and expenses, including, without limitation, attorneys' fees, resulting from any claims or fees or commissions, based upon agreements by it, if any, to pay a broker's commission and/or finder's fee. The obligations under this provision shall survive Closing.

13. NOTICES. Any notice which either party may desire to give to the other party or to the Escrow Holder must be in writing and may be given by (i) personal delivery which will be deemed received the following day; (ii) by national overnight delivery service which will be deemed received the following business day; or (iii) by mailing the same by registered or certified mail, return receipt requested which will be deemed delivered three (3) days after depositing same in the mail, addressed to the party to whom the notice is directed as set forth below, or such other address and to such other persons as the parties may hereafter designate:

To Seller: City of Morro Bay
150 S. Palm Avenue
Morro Bay, CA 92376
Attention: City Manager

With a Copy to: Aleshire & Wynder, LLP
18881 Von Karman Avenue, Suite 1700
Irvine, CA 92612
Attention: Chris Neumeyer, City Attorney

To Buyer: Cayucos Sanitary District
200 Ash Avenue
P.O. Box 333
Cayucos, CA 93430
Attn: Rick Koon

With a Copy to: Timothy J. Carmel
Carmel & Naccasha, LLP
1410 March Street
San Luis Obispo, CA 93401

To Escrow Holder: First American Title Insurance Company
899 Pacific Street
San Luis Obispo, CA 93401
Lisa A. Bertrand, Escrow Officer

14. GENERAL PROVISIONS.

14.1 Assignment. Neither party may assign this Agreement without the prior written consent of the other party. This Agreement shall be binding upon and shall inure to the benefit of Buyer and Seller and their respective heirs, personal representatives, successors and assigns.

14.2 Attorney's Fees. In any action between the parties hereto, seeking enforcement of any of the terms and provisions of this Agreement or the Escrow, or in connection with the Property, the prevailing party in such action shall be entitled, to have and to recover from the other party its reasonable attorneys' fees and other reasonable expenses in connection with such action or proceeding, in addition to its recoverable court costs.

14.3 Governing Law; Venue. This Agreement shall be construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement. The venue for any dispute shall be San Luis Obispo County.

14.4 No Waiver. No delay or omission by either party in exercising any right or power accruing upon the compliance or failure of performance by the other party under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either party of a breach of any of the covenants, conditions or agreements hereof to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

14.5 Amendments. Any amendment or modification to this Agreement must be in writing and executed by both parties.

14.6 Severability. If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this instrument, or the application of such term, provisions, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

14.7 Merger. This Agreement and other documents incorporated herein by reference contain the entire understanding between the parties relating to the transaction contemplated hereby and all prior to contemporaneous agreements, understandings, representations and statements, oral or written (including the MOU) are merged herein and shall be of no further force or effect.

14.8 Construction. In determining the meaning of, or resolving any ambiguity with respect to, any word, phrase or provision of this Agreement, no uncertainty or ambiguity shall be construed or resolved against a party under any rule of construction, including the party primarily responsible for the drafting and preparation of this Agreement. Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

14.9 Qualification and Authority. Each individual executing this Agreement on behalf of a party represents, warrants and covenants to the other party that (a) such person is duly authorized to execute and deliver this Agreement on behalf of the party in accordance with authority granted under the organizational documents of such entity, and (b) the party is bound under the terms of this Agreement.

14.10 No Third Party Beneficiaries. This Agreement is only between the parties, and is not intended to be nor shall it be construed as being for the benefit of any third party.

14.11 Execution in Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart.

14.12 Exhibits. Exhibits A-1, A-2, B and C attached hereto are incorporated herein by reference.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

NOTE: Parties must initial Sections 9 and 11.2.

SELLER:

CAYUCOS SANITARY DISTRICT, a
political subdivision of the State of California

By: _____
Robert B. Enns, Board President

ATTEST:

_____, Board Secretary

APPROVED AS TO FORM:

CARMEL & NACCASHA, LLP

By: _____
Timothy J. Carmel
District Counsel

ESCROW HOLDER ACCEPTANCE:

First American Title Insurance Company

By: _____
Lisa A. Bertrand, Escrow Officer

Dated: _____, 2020

BUYER:

CITY OF MORRO BAY, a California
municipal corporation

By: _____
John Headding, Mayor

ATTEST:

Dana Swanson, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
Christopher Neumeyer
City Attorney

EXHIBIT A-1

LEGAL DESCRIPTION OF PROPERTY

That certain real property in the City of Morro Bay, County of San Luis Obispo, State of California, legally described as follows:

PARCEL 1 - Lot 6SW (A.P.N. Portion of 065-022-008):

That portion of the land described in Certificate of Compliances recorded November 2, 2012 in Document No. 2012063818 and Document No. 2012063819 in the County Recorder's Office, County of San Luis Obispo, State of California. described as follows:

Beginning at the intersection of the westerly line of the land described in the grant deed to the State of California recorded in Book 1090 at Page 258 of Official Records in the County Recorder's Office of said County (State Highway One) with the southerly line of Lot 31 according to the map of the subdivision of said Rancho filed in Book A of Maps at Page 160 of Maps in the County Recorder's Office of said County; thence northerly along said westerly line to a point being North 11°23'26" West, a distance of 612.98 feet from the southerly terminus of the line described as Course No. 4 (North 11°23'26" West, 817.99 feet) in said grant deed to the State of California; thence leaving said westerly line, South 78°36'34" West, a distance of 187.20 feet more or less to the mean high water line of Estero Bay; thence, Southerly along said mean high water line to the southwest corner of said Lot 31; thence, northeasterly along the southerly line of said Lot 31 to the Point of Beginning.

EXCEPTING THEREFROM, its successive owners and assigns, together with the right to grant and transfer all or a portion of the same as follows:

To the extent owned by Grantor on the date hereof, all minerals, unprocessed, oil, gas, petroleum, other hydrocarbon substances and geothermal resources in or under or which may be produced from the Property and the perpetual right of exploring and prospecting for, and developing, producing, extracting, and taking said minerals, unprocessed oil, gas, petroleum, other hydrocarbon substances and geothermal resources from the Property by means of mines, shafts, tunnels, wells, derricks or other equipment from surface locations on adjoining or neighboring land or lying outside of the Property, including the right to whipstock or directionally drill and mine from lands other than the Property, and to bottom such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits of the Property, and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, it being understood, however, that the owner of such minerals, unprocessed oil, gas, petroleum, other hydrocarbon substances and geothermal resources, as set forth above, shall have no right to enter upon the surface of the Property nor to use any of the Property or any portion thereof above a plane parallel to and 500 feet below the surface of the Property for any of the purposes specified herein, as reserved by Chevron Pipe Line Company, a Delaware corporation in deed recorded August 15, 2019 as Instrument No. 2019-033391 of Official Records.

PARCEL 2: Lot 6NW (APN: Portion of 065-022-008 and all of 073-075-016):

That portion of the land described in Certificate of Compliance's recorded November 2, 2012 in Document No. 2012-063818 and Document No. 2012-063819 in the County Recorder's Office, County of San Luis Obispo, State of California, described as follows:

Beginning at a point on the westerly line of the land described in the grant deeds to the State of California recorded in Book 1090 at Page 258 of Official Records and Book 1090 at Page 263 of Official Records in the County Recorder's Office of said County (State Highway One) being an arc distance of 696.64 feet from the northerly terminus of the curve described as Course No. 9 (curve to the

left with a radius of 4879 feet through an angle of 11°45'32" for a distance of 1001.32 feet) in said grant deeds to the State of California;
thence, Leaving said westerly line, South 80°34'29" West, a distance of 26.67 feet;
thence, North 73°38'47" West, a distance of 36.70 feet;
thence, North 38°30'11" West a distance of 75.80 feet;
thence, North 80°39'34" West, a distance of 95.21 feet;
thence, South 72°39'00" West a distance of 106.64 feet more or less to the mean high water line of Estero Bay;
thence, Northerly along said mean high water line to the intersection with the westerly prolongation of the centerline of Toro Creek Road (County Road);
thence, Easterly along said centerline prolongation to the westerly line of the land described in said grant deeds to the State of California;
thence, Southerly along said westerly line to the Point of Beginning.

EXCEPTING THEREFROM, its successive owners and assigns, together with the right to grant and transfer all or a portion of the same as follows:

To the extent owned by Grantor on the date hereof, all minerals, unprocessed, oil, gas, petroleum, other hydrocarbon substances and geothermal resources in or under or which may be produced from the Property and the perpetual right of exploring and prospecting for, and developing, producing, extracting, and taking said minerals, unprocessed oil, gas, petroleum, other hydrocarbon substances and geothermal resources from the Property by means of mines, shafts, tunnels, wells, derricks or other equipment from surface locations on adjoining or neighboring land or lying outside of the Property, including the right to whipstock or directionally drill and mine from lands other than the Property, and to bottom such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits of the Property, and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, it being understood, however, that the owner of such minerals, unprocessed oil, gas, petroleum, other hydrocarbon substances and geothermal resources, as set forth above, shall have no right to enter upon the surface of the Property nor to use any of the Property or any portion thereof above a plane parallel to and 500 feet below the surface of the Property for any of the purposes specified herein, as reserved by Chevron Pipe Line Company, a Delaware corporation in deed recorded August 15, 2019 as Instrument No. 2019-033391 of Official Records.

EXHIBIT A-2

DEPICTION OF PROPERTY



EXHIBIT B
GRANT DEED

FREE RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Morro Bay
150 S. Palm Avenue
Morro Bay, CA 92376
Attention: City Manager

APNs _____
THE UNDERSIGNED DECLARES:
DOCUMENTARY TRANSFER TAX IS \$0 per R&T Code 11922

(Space Above This Line for Recorder's Office Use Only)
Exempt from Recording Fee per Gov. Code §6103

GRANT DEED

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the CAYUCOS SANITARY DISTRICT, a political subdivision of the State of California ("**Grantor**"), hereby grants to the CITY OF MORRO BAY, a municipal corporation ("**Grantee**"), all of its respective rights, title, and interest in the real property in the City of Morro Bay, County of San Luis Obispo, State of California, as more particularly described in Schedule 1 attached hereto and incorporated herein by this reference ("**Property**") together with all tenements, hereditaments, and appurtenances, including improvements, fixtures, water and similar rights and privileges.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed on its behalf as of the date written below.

Dated: _____, 2020

GRANTOR:

CAYUCOS SANITARY DISTRICT, a
political subdivision of the State of California

By: _____
Robert B. Enns, Board President

ATTEST:

_____, Board Secretary

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by CAYUCOS SANITARY DISTRICT, a political subdivision of the State of California ("**Grantor**"), by Grant Deed to the CITY OF MORRO BAY, a municipal corporation ("**City**"), is hereby accepted by the undersigned officer and agent of City and the City consents to the recording of the Grant Deed.

Signed and dated at _____, California on _____, 2020.

GRANTEE

CITY OF MORRO BAY. a municipal corporation

By: _____
Scott Collins, City Manager

SCHEDULE 1 TO GRANT DEED

LEGAL DESCRIPTION OF THE LAND

That certain real property located in the City of Morro Bay, County of San Luis Obispo, State of California, and is described as follows:

PARCEL 1 - Lot 6SW (A.P.N. Portion of 065-022-008):

That portion of the land described in Certificate of Compliances recorded November 2, 2012 in Document No. 2012063818 and Document No. 2012063819 in the County Recorder's Office, County of San Luis Obispo, State of California. described as follows:

Beginning at the intersection of the westerly line of the land described in the grant deed to the State of California recorded in Book 1090 at Page 258 of Official Records in the County Recorder's Office of said County (State Highway One) with the southerly line of Lot 31 according to the map of the subdivision of said Rancho filed in Book A of Maps at Page 160 of Maps in the County Recorder's Office of said County; thence northerly along said westerly line to a point being North 11°23'26" West, a distance of 612.98 feet from the southerly terminus of the line described as Course No. 4 (North 11°23'26" West, 817.99 feet) in said grant deed to the State of California; thence leaving said westerly line, South 78°36'34" West, a distance of 187.20 feet more or less to the mean high water line of Estero Bay; thence, Southerly along said mean high water line to the southwest corner of said Lot 31; thence, northeasterly along the southerly line of said Lot 31 to the Point of Beginning.

EXCEPTING THEREFROM, its successive owners and assigns, together with the right to grant and transfer all or a portion of the same as follows:

To the extent owned by Grantor on the date hereof, all minerals, unprocessed, oil, gas, petroleum, other hydrocarbon substances and geothermal resources in or under or which may be produced from the Property and the perpetual right of exploring and prospecting for, and developing, producing, extracting, and taking said minerals, unprocessed oil, gas, petroleum, other hydrocarbon substances and geothermal resources from the Property by means of mines, shafts, tunnels, wells, derricks or other equipment from surface locations on adjoining or neighboring land or lying outside of the Property, including the right to whipstock or directionally drill and mine from lands other than the Property, and to bottom such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits of the Property, and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, it being understood, however, that the owner of such minerals, unprocessed oil, gas, petroleum, other hydrocarbon substances and geothermal resources, as set forth above, shall have no right to enter upon the surface of the Property nor to use any of the Property or any portion thereof above a plane parallel to and 500 feet below the surface of the Property for any of the purposes specified herein, as reserved by Chevron Pipe Line Company, a Delaware corporation in deed recorded August 15, 2019 as Instrument No. 2019-033391 of Official Records.

PARCEL 2: Lot 6NW (APN: Portion of 065-022-008 and all of 073-075-016):

That portion of the land described in Certificate of Compliance's recorded November 2, 2012 in Document No. 2012-063818 and Document No. 2012-063819 in the County Recorder's Office, County of San Luis Obispo, State of California, described as follows:

Beginning at a point on the westerly line of the land described in the grant deeds to the State of California recorded in Book 1090 at Page 258 of Official Records and Book 1090 at Page 263 of Official Records in the County Recorder's Office of said County (State Highway One) being an arc distance of 696.64 feet from the northerly terminus of the curve described as Course No. 9 (curve to the left with a radius of 4879 feet through an angle of 11°45'32" for a distance of 1001.32 feet) in said grant deeds to the State of California;

thence, Leaving said westerly line, South 80°34'29" West, a distance of 26.67 feet;
thence, North 73°38'47" West, a distance of 36.70 feet;
thence, North 38°30'11" West a distance of 75.80 feet;
thence, North 80°39'34" West, a distance of 95.21 feet;
thence, South 72°39'00" West a distance of 106.64 feet more or less to the mean high water line of Estero Bay:
thence, Northerly along said mean high water line to the intersection with the westerly prolongation of the centerline of Toro Creek Road (County Road);
thence, Easterly along said centerline prolongation to the westerly line of the land described in said grant deeds to the State of California;
thence, Southerly along said westerly line to the Point of Beginning.

EXCEPTING THEREFROM, its successive owners and assigns, together with the right to grant and transfer all or a portion of the same as follows:

To the extent owned by Grantor on the date hereof, all minerals, unprocessed, oil, gas, petroleum, other hydrocarbon substances and geothermal resources in or under or which may be produced from the Property and the perpetual right of exploring and prospecting for, and developing, producing, extracting, and taking said minerals, unprocessed oil, gas, petroleum, other hydrocarbon substances and geothermal resources from the Property by means of mines, shafts, tunnels, wells, derricks or other equipment from surface locations on adjoining or neighboring land or lying outside of the Property, including the right to whipstock or directionally drill and mine from lands other than the Property, and to bottom such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits of the Property, and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, it being understood, however, that the owner of such minerals, unprocessed oil, gas, petroleum, other hydrocarbon substances and geothermal resources, as set forth above, shall have no right to enter upon the surface of the Property nor to use any of the Property or any portion thereof above a plane parallel to and 500 feet below the surface of the Property for any of the purposes specified herein, as reserved by Chevron Pipe Line Company, a Delaware corporation in deed recorded August 15, 2019 as Instrument No. 2019-033391 of Official Records.

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)
) ss.
COUNTY OF _____)

On _____, 2020 before me, _____, a 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.

Notary Public

SEAL:

EXHIBIT C

ASSIGNMENT

THIS ASSIGNMENT OF INTANGIBLES is made this _____ day of _____, 2020 by and between CAYUCOS SANITARY DISTRICT, a political subdivision of the State of California ("**Assignor**"), and CITY OF MORRO BAY, a California municipal corporation ("**Assignee**").

RECITALS:

- A. Assignor, as seller, and Assignee, as buyer, have executed that that certain Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions dated _____, 2020 ("**PSA**") for the sale of that certain real property as legally described on Exhibit A hereto ("**Property**").
- B. Assignor may have certain intangible rights in connection with the Property, including, but not limited to, various easements, licenses, permits, air rights, rights of way, water rights and similar rights (collectively, the "**Intangibles**").
- C. Assignor hereby desires to assign to Assignee all of its right, title, and interest in and to the Intangibles, to the extent such right, title and interest may exist and is assignable by Assignor.

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein below set forth, the parties hereto agree as follows:

- 1. Effective upon Assignee acquiring title to the Property ("**Effective Date**"), Assignor assigns and transfers to Assignee all of Assignor's right, title, and interest in and to the Intangibles, to the extent such right, title, and interest may exist and is assignable by Assignor and Assignee accepts the assignment.
- 3. This Assignment is binding upon and shall inure to the benefit of Assignor and Assignee and their respective successors and assigns.
- 4. This Assignment may be executed in counterparts, which taken together shall constitute one and the same instrument.
- 5. Assignor agrees to execute any additional documents as may be required to effect the intent of this Agreement.

IN WITNESS WHEREOF, the parties hereto have entered into this Assignment of Intangibles as of the date first set forth above.

ASSIGNOR:

CAYUCOS SANITARY DISTRICT, a political subdivision of the State of California

By: _____
Robert B. Enns, Board President

ATTEST:

_____, Board Secretary

APPROVED AS TO FORM:

CARMEL & NACCASHA, LLP

By: _____
Timothy J. Carmel
District Counsel

ASSIGNEE:

CITY OF MORRO BAY, a California municipal corporation

By: _____
John Headding, Mayor

ATTEST:

Dana Swanson, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
Christopher Neumeyer
City Attorney

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

That certain real property in the City of Morro Bay, County of San Luis Obispo, State of California legally described as follows:

PARCEL 1 - Lot 6SW (A.P.N. Portion of 065-022-008):

That portion of the land described in Certificate of Compliances recorded November 2, 2012 in Document No. 2012063818 and Document No. 2012063819 in the County Recorder's Office, County of San Luis Obispo, State of California. described as follows:

Beginning at the intersection of the westerly line of the land described in the grant deed to the State of California recorded in Book 1090 at Page 258 of Official Records in the County Recorder's Office of said County (State Highway One) with the southerly line of Lot 31 according to the map of the subdivision of said Rancho filed in Book A of Maps at Page 160 of Maps in the County Recorder's Office of said County; thence northerly along said westerly line to a point being North 11°23'26" West, a distance of 612.98 feet from the southerly terminus of the line described as Course No. 4 (North 11°23'26" West, 817.99 feet) in said grant deed to the State of California; thence leaving said westerly line, South 78°36'34" West, a distance of 187.20 feet more or less to the mean high water line of Estero Bay; thence, Southerly along said mean high water line to the southwest corner of said Lot 31; thence, northeasterly along the southerly line of said Lot 31 to the Point of Beginning.

EXCEPTING THEREFROM, its successive owners and assigns, together with the right to grant and transfer all or a portion of the same as follows:

To the extent owned by Grantor on the date hereof, all minerals, unprocessed, oil, gas, petroleum, other hydrocarbon substances and geothermal resources in or under or which may be produced from the Property and the perpetual right of exploring and prospecting for, and developing, producing, extracting, and taking said minerals, unprocessed oil, gas, petroleum, other hydrocarbon substances and geothermal resources from the Property by means of mines, shafts, tunnels, wells, derricks or other equipment from surface locations on adjoining or neighboring land or lying outside of the Property, including the right to whipstock or directionally drill and mine from lands other than the Property, and to bottom such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits of the Property, and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, it being understood, however, that the owner of such minerals, unprocessed oil, gas, petroleum, other hydrocarbon substances and geothermal resources, as set forth above, shall have no right to enter upon the surface of the Property nor to use any of the Property or any portion thereof above a plane parallel to and 500 feet below the surface of the Property for any of the purposes specified herein, as reserved by Chevron Pipe Line Company, a Delaware corporation in deed recorded August 15, 2019 as Instrument No. 2019-033391 of Official Records.

PARCEL 2: Lot 6NW (APN: Portion of 065-022-008 and all of 073-075-016):

That portion of the land described in Certificate of Compliance's recorded November 2, 2012 in Document No. 2012-063818 and Document No. 2012-063819 in the County Recorder's Office, County of San Luis Obispo, State of California, described as follows:

Beginning at a point on the westerly line of the land described in the grant deeds to the State of California recorded in Book 1090 at Page 258 of Official Records and Book 1090 at Page 263 of Official Records in the County Recorder's Office of said County (State Highway One) being an arc distance of 696.64 feet from the northerly terminus of the curve described as Course No. 9 (curve to the left with a radius of 4879 feet through an angle of 11°45'32" for a distance of 1001.32 feet) in said grant deeds to the State of California;

thence, Leaving said westerly line, South 80°34'29" West, a distance of 26.67 feet;
thence, North 73°38'47" West, a distance of 36.70 feet;
thence, North 38°30'11" West a distance of 75.80 feet;
thence, North 80°39'34" West, a distance of 95.21 feet;
thence, South 72°39'00" West a distance of 106.64 feet more or less to the mean high water line of Estero Bay:
thence, Northerly along said mean high water line to the intersection with the westerly prolongation of the centerline of Toro Creek Road (County Road);
thence, Easterly along said centerline prolongation to the westerly line of the land described in said grant deeds to the State of California;
thence, Southerly along said westerly line to the Point of Beginning.

EXCEPTING THEREFROM, its successive owners and assigns, together with the right to grant and transfer all or a portion of the same as follows:

To the extent owned by Grantor on the date hereof, all minerals, unprocessed, oil, gas, petroleum, other hydrocarbon substances and geothermal resources in or under or which may be produced from the Property and the perpetual right of exploring and prospecting for, and developing, producing, extracting, and taking said minerals, unprocessed oil, gas, petroleum, other hydrocarbon substances and geothermal resources from the Property by means of mines, shafts, tunnels, wells, derricks or other equipment from surface locations on adjoining or neighboring land or lying outside of the Property, including the right to whipstock or directionally drill and mine from lands other than the Property, and to bottom such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits of the Property, and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, it being understood, however, that the owner of such minerals, unprocessed oil, gas, petroleum, other hydrocarbon substances and geothermal resources, as set forth above, shall have no right to enter upon the surface of the Property nor to use any of the Property or any portion thereof above a plane parallel to and 500 feet below the surface of the Property for any of the purposes specified herein, as reserved by Chevron Pipe Line Company, a Delaware corporation in deed recorded August 15, 2019 as Instrument No. 2019-033391 of Official Records.



AGENDA ITEM: 6

DATE: July 16, 2020

CAYUCOS SANITARY DISTRICT

TO: Board of Directors

FROM: Rick Koon
District Manager

DATE: July 09, 2020

SUBJECT: DISCUSSION AND CONSIDERATION TO AWARD THE LIFT STATION 5 CONSTRUCTION CONTRACT AND TO APPROVE THE CONSTRUCTION CONTRACT (STIPULATED PRICE)

Discussion:

This item is the rebid of the Lift Station 5 improvements. After the previous bids for this project came in above the engineer's estimate, WSC and District staff reviewed the itemized cost breakdown of the project with several of the previous bidders. Each of the bidder's comments were consistent and pertained to their concerns with work within the Caltrans right of way, concrete wet well excavations, and the integration of the lift stations' SCADA system with the plant SCADA system.

WSC and District staff redesigned the lift station improvements based on the bidder's comments. The new bids were received on July 2nd and the apparent lower bidder is Raminha Construction. See WSC letter of recommendation attached.

Also, the District, with the approval of the USDA, will enter into a separate Procurement Contract for the integration and SCADA system in order to retain continuity with the plant systems. Refer to agenda item 8 on this agenda.

Recommendation

Staff recommends the Board award the Lift Station 5 construction contract to Raminha Construction and to approve the construction contract for \$1,283,000.

7/9/2020

Rick Koon
 Cayucos Sanitary District
 200 Ash Avenue
 Cayucos, CA 93430

SUBJECT: RECOMMENDATION OF AWARD FOR CAYUCOS SUSTAINABLE WATER PROJECT LIFT STATION 5 REPLACEMENT PACKAGE

Dear Rick Koon,

This letter recommends awarding construction of the Cayucos Sustainable Water Project Lift Station 5 Replacement Package to Raminha Construction, Inc. (Raminha). The project was advertised for bids on June 10th, 2020. Mandatory pre-bid meetings were held between June 15th and June 19th, 2020. Meetings were held with potential bidders separately at the project site to comply with COVID-19 guidelines to limit the size of gatherings. On July 2, 2020, the Cayucos Sanitary District received and publicly opened bids from the 9 bidders summarized below.

Summary of bids received

BIDDER	BID TOTAL
Raminha Construction, Inc.	\$1,283,000
Specialty Construction, Inc.	\$1,414,900
John Madonna Construction Company, Inc.	\$1,499,700
Whitaker Construction Group, Inc.	\$1,652,950
SW Construction, Inc.	\$1,684,132
David Crye General Engineering Contractor, Inc.	\$1,753,500
Pac-West General, Inc.	\$1,796,000
Spiess Construction Company, Inc.	\$2,084,500
Unified Field Services Corporation	\$2,160,669.54

Raminha was the apparent low bidder. The Engineer’s opinion of construction cost was \$1,700,000 excluding contingency. The bids received ranged between \$1,283,000 to \$2,160,669 with the majority of bids received were at or below the Engineer’s opinion of construction cost.

Bidder’s Responsibility

WSC received and reviewed Raminha’s Bidder’s Certification of Experience and Qualifications in accordance with the bidding requirements. Raminha documented adequate experience to meet the qualifications outlined in the Contract Documents. Additionally, a sufficient number of references were contacted to verify and confirm that Raminha meets the experience qualifications defined in our Contract Documents.

Bidder's Responsiveness

WSC reviewed all bids received for bid irregularities and responsiveness. WSC did not encounter any bid irregularities that would materially alter the bid amounts for Raminha. Any minor irregularity that may be present, does not involve price, time, or changes in the Work and can be corrected in the course of executing the Contract Documents.

Conclusion

WSC finds the bid of Raminha both responsible and responsive. Based on our analysis, and our efforts working with their team on past projects, we believe that they have the requisite qualifications, experience, and financial capability to successfully complete the project. *We recommend awarding the construction of Cayucos Sustainable Water Project Lift Station 5 Replacement Package to Raminha Construction Inc. in the amount of \$1,283,000.00*

Sincerely,

Water Systems Consulting, Inc.



Dylan Wade, PE, CCM



AGENDA ITEM: 7

DATE: July 16, 2020

CAYUCOS SANITARY DISTRICT

TO: Board of Directors

FROM: Rick Koon
District Manager

DATE: July 09, 2020

SUBJECT: DISCUSSION AND CONSIDERATION TO APPROVE AMENDMENT #1 TO THE TORO CREEK BRIDGE FORCE MAIN CROSSING PROJECT TO WATER SYSTEMS CONSULTING FOR THE DESIGN AND CONSTRUCTION ADMINISTRATION FOR THE CALTRANS TORO CREEK BRIDGE PROJECT PER THE REIMBURSEMENT AGREEMENT WITH CALTRANS

Discussion:

Caltrans Highway 1 Toro Creek Bridge Project is now scheduled to begin by the spring of 2021. The District has been working with Caltrans Planning, Design, Utilities, Right of Way and Encroachment Divisions to finalize the requirements of the design and the Caltrans requirements for the construction services required to temporarily relocate the District's force mains (Phase #1) and then reinstall them on the new bridge (Phase #2).

Caltrans has agreed to reimburse the District for all these expenses as per the Reimbursement Agreement approved by the Board last month.

The Board previously approved a conceptual design utility reimbursement agreement with Caltrans for the WSC work of the conceptual design.

This amendment is for a-not-to-exceed cost of \$271,426.58 as shown in the attachment.

Recommendation

Staff recommends the Board approve Amendment #1 to the Toro Creek Bridge Force Main Crossing Project to Water Systems Consulting for the design and construction administration for the Caltrans Toro Creek Bridge Project per the reimbursement agreement with Caltrans for the not-to-exceed amount of \$271,426.58.

**FIRST AMENDMENT TO CONSULTANT SERVICES AGREEMENT
(WATER SYSTEMS CONSULTING, INC.)**

This First Amendment to Consultant Services Agreement (“First Amendment”) is made and entered into this 17 day of July, 2020, by and between **WATER SYSTEMS CONSULTING, INC.**, a California corporation (“Consultant”), and the **CAYUCOS SANITARY DISTRICT**, a political subdivision of the State of California (“District”).

WHEREAS, the parties entered into an Agreement for Consultant Services as of November 21, 2019 (the “Agreement) for the conceptual design of the Caltrans Toro Creek Bridge Replacement Pipeline Improvements Project”; and

WHEREAS, Consultant and District now mutually agree and desire to further amend certain portions of the Agreement.

NOW, THEREFORE, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties mutually agree as follows:

1. Consultant’s proposal dated July 09, 2020 attached hereto as Exhibit “A” and incorporated herein by reference, is hereby approved.
2. Except as modified herein, all terms and conditions of the Agreement, as amended, shall remain in full force and effect.
3. The term of this agreement shall be extended until completion of the services defined herein.

IN WITNESS WHEREOF, the parties have executed this First Amendment on the day and year first set forth above.

CAYUCOS SANITARY DISTRICT

WATER SYSTEMS CONSULTING, INC

By: _____
Richard Koon, District Manager

By: _____
Dylan Wade, Vice President

Approved As To Form:

Timothy J. Carmel, District Counsel



7/9/2020

Rick Koon
General Manager
Cayucos Sanitary District
200 Ash Avenue
Cayucos, CA 93430

SUBJECT: PROPOSAL TO PROVIDE FINAL DESIGN AND CONSTRUCTION SERVICES FOR THE TORO CREEK BRIDGE FORCEMAIN CROSSING PROJECT

Dear Rick Koon,

At your request, WSC has prepared a proposal to prepare plans and technical specifications for the Toro Creek Bridge Forcemain Crossing Project for Cayucos Sanitary District (CSD). This design is intended to supplement work previously completed, including the alternatives analysis technical memorandum and conceptual design. This project will include design of the temporary bypass forcemain (Phase 1) and utility bridge and the permanent pipeline to be hung on Toro Creek Bridge (Phase 2), along with Construction Management services for each. The design required will include preparation of drawings, technical specifications, and Opinion of Probable Construction Cost. WSC will partner with Ashley & Vance Engineering, Inc. (AV) for structural engineering and Farwest Corrosion Control Company (Farwest) for corrosion control design. The total fee will be charged as time and materials, not to exceed \$271,426.58.

WSC proposes the following scope of work:

TASK 1.0 PROJECT MANAGEMENT AND QUALITY CONTROL (PHASE 1 & PHASE 2)

1.1 Project Administration

- Prepare and maintain an updated project schedule.
- Setup and manage subconsultant agreements for structural engineer, AV.
- Setup and manage subconsultant agreements for corrosion control, Farwest.

1.2 Coordination with Caltrans

- Coordination with Caltrans on design, permitting, project schedule, changes to project, and obtaining utility information.

1.3 QA/QC

- Perform comprehensive quality control of all work items being prepared for delivery to CSD.

Deliverable: Monthly progress reports with project invoices

TASK 2.0 MEETINGS AND SITE VISITS (PHASE 1 & PHASE 2)

2.1 Progress Calls and As Needed Coordination Calls

- WSC will conduct Progress Calls and coordination via phone and email as needed throughout the project. The purpose of these calls is intended to allow time, if needed, to review project status, discuss comments, or address other issues that may require additional coordination.

TASK 3.0 PRELIMINARY DESIGN (COMPLETED UNDER ORIGINAL BUDGET)

3.1 Basemap and Utility Research

- WSC assumes Caltrans will provide topographic basemap including all utilities' existing and proposed location and depth.
- WSC will perform utility research on utilities where utility plans are not available from Caltrans.
- WSC assumes Caltrans will provide all geotechnical information.
- WSC assumes Caltrans will supply all CAD files required for their bridge design that are required to design the new pipeline.
- WSC will depict existing utilities to Level C as defined in ASCE Standard 38-02 on the project base drawings. The Level C standard of care includes correlating information derived from written records and oral recollections with information obtained by surveying visible utility features.

3.2 Site Visit

- WSC will perform a site visit to review visual evidence of potential utility conflicts and review the general site layout.

TASK 4.0 PLANS AND SPECIFICATIONS (PHASE 1 & PHASE 2)

WSC will prepare drawings including profile for the approximately 300 LF 12" sewer forcemain and bridge crossing. Structural sheets will be prepared by AV. Plan set will be on 22" x 34" paper, and the presentation and layout of the plans will consider the functionality of half-size (11" x 17") plans. A preliminary sheet list is provided below. WSC will prepare Technical Specifications in 50 Division CSI format.

4.1 60% Design Submittal

- An electronic submittal (preliminary drawings, specifications, and opinion of probable cost) will be provided for review. Design drawings and specification will be revised according to CSD's and Caltrans's comments.

4.2 90% Design Submittal

- An electronic submittal (drawings, specifications, opinion of probable cost, and schedule) will be provided for review. Design drawings and specification will be revised according to CSD's and Caltrans's comments.

4.3 Final Design Submittal

- An electronic copy of the Final Design Submittal (drawings, specifications, opinion of probable cost, and schedule) will be provided for distribution by CSD. Final plans will be submitted as three (3) sets of 22" x 34" sheet size plans one (1) suitable for reproduction; three (3) sets of 11" x 17" sheet size plans with the specifications; and electronic pdf format plans and specifications suitable for reproduction.

Sheet list for Temporary Bypass Forcemain and Utility Bridge (Phase 1):

SHEET NO.	DWG NO.	DRAWING TITLE
1	56-001	TITLE SHEET
2	56-002	SHEET INDEX AND ABBREVIATIONS
3	56-003	LEGEND AND SYMBOLS
4	56-C001	CIVIL NOTES 1
5	56-C002	CIVIL NOTES 2
6	56-C501	CIVIL DETAILS 1
7	56-C502	CIVIL DETAILS 2
8	56-C503	COUNTY STANDARD DETAILS
9	56-C101	DEMOLITION PLAN
10	56-C102	TEMPORARY BYPASS PIPELINE
11	56-C103	CONNECTION DETAILS

Sheet list for Permanent Pipeline (Phase 2):

SHEET NO.	DWG NO.	DRAWING TITLE
1	56-001	TITLE SHEET
2	56-002	SHEET INDEX AND ABBREVIATIONS
3	56-003	LEGEND AND SYMBOLS
4	56-C001	CIVIL NOTES 1
5	56-C002	CIVIL NOTES 2
6	56-C501	CIVIL DETAILS 1
7	56-C502	CIVIL DETAILS 2
8	56-C503	COUNTY STANDARD DETAILS
9	56-C101	DEMOLITION PLAN
10	56-C102	12" PIPELINE

4.4 Opinion of Probable Construction Cost

- WSC will prepare and submit an opinion of probable construction costs updated with the 90% and Final Design submittals.

Deliverables:

1. *Electrical version (doc or pdf) of the 60% and 90% packages for review by CSD.*
2. *Six hard copies and one electronic version (pdf) of the Final Design packages for use by CSD.*

TASK 5.0 BID PHASE SUPPORT (PHASE 1 & PHASE 2)

5.1 Bidding Support

- WSC will prepare the Notice Inviting Bids.
- WSC will schedule and conduct a pre-bid conference and site visit for each package. WSC will make note of design related questions posed during the conference and discuss response approach with CSD.
- Respond to bidder inquiries as appropriate, prepare addenda as required and issue to plan holders. The budget assumes a maximum of one (1) addenda will be required.
- WSC will review the acceptability of substitute materials, equipment, subcontractors and suppliers proposed during the bid process.

5.2 Bid Opening

- CSD will conduct the bid opening. WSC will attend the bid opening and record the announced bid amounts.
- WSC will review and tabulate all bids received. WSC will prepare an abstract of bids and make a recommendation for award to the lowest responsive, responsible bidder.

TASK 6.0 CONSTRUCTION PHASE SUPPORT AND INSPECTION (PHASE 1 & PHASE 2)

6.1 Contract, Notice of Award and Notice to Proceed Preparation

- Once the CSD Board has approved the award of the construction contract, WSC will prepare the Notice of Award and the Contract. Once all documents are executed, appropriate permits have been issued and the Pre-Construction conference has been conducted, WSC will prepare the Notice to Proceed.

6.2 Conformed Construction Documents Preparation

- WSC will generate conformed plans and specifications based on the addenda prepared in Task 5.3 and the executed contract. WSC provide a digital copy (pdf), suitable for full size (22"x34") reproduction by a local printer for distribution to the contractor, of the signed conformed plans and specifications. WSC will order the requested number of hardcopies for CSD and the Contractor.

6.3 Pre-Construction Conference

WSC will organize, conduct and document one pre-construction conference. Prepare and distribute meeting agendas and minutes.

6.4 Maintain Project File Database

Prepare logs to file, track and process correspondence, submittals, RFIs/RFCs and other documents. Logs will be in Microsoft Excel format. Project correspondence will be conducted via email whenever possible and project documents will be transmitted and stored in digital format. Upon project completion, WSC will provide an electronic copy of the project file database on DVD.

6.5 Submittal Review

- Review submittals, including but not limited to Shop Drawings, Product Data, Samples and Material Substitution Requests for compliance with the Contract Documents and provide responses to the Contractor. Maintain and update a record of submittals, copies of submittals supplied by the contractor and a record of all actions taken on submittals.
- Coordinate with Caltrans on all submittals required for their review.
- Review contractor's baseline construction schedule and verify that the schedule is prepared in accordance with the requirements of the Contract Documents. Evaluate logic between construction activities, key activity durations and critical path activities.

6.6 Request for Clarification/Request for Information (RFC/RFI) Responses

- Respond to RFCs and RFIs and coordinate with the potential change order process (see below).

6.7 Progress Meetings and Site Visits

- Conduct bi-weekly construction progress meetings and site visits with general contractor and key subcontractor(s) to review the contractor's three week look ahead schedule, review submittal/RFC/RFI/PCO status and address issues affecting performance of the work.
- Prepare and distribute meeting agendas and minutes.
- During the submittal and procurement phases, progress meetings will be held via conference call, if needed. The budget is based on three (3) 30-min conference calls attended by the Construction Manager for each phase of work.

6.8 Review Progress Pay Requests

- Review pay requests submitted by the contractor and determine completeness. If complete, determine if amount requested reflects actual status of work. If not complete, return to contractor for correction. Forward approved pay requests to CSD for payment.

6.9 Prevailing Wage Compliance

- As required by the California Department of Industrial Relations (DIR), The CSD will be responsible for filing an electronic PWC-100 form within five days of awarding the contract. WSC will assist the CSD with filing the PWC-100 form (if needed). WSC will ensure the Contractor is registered with DIR for compliance monitoring and confirm certified payroll is submitted monthly in conformance with the Labor Code.

6.10 Change Order Management

- WSC will have no authority to issue changes or modifications to the contract documents. All proposed change orders will be submitted to CSD for review and final approval.
- Manage, Evaluate and Respond to Change Order Requests

- (1) Receive and evaluate change order requests from the Contractor and CSD and assign each request and any resulting change orders a discrete number for tracking, filing and processing purposes.
- (2) Coordinate review, evaluation and negotiation of the change order request with CSD and Contractor as appropriate. Evaluate the technical merit of change order requests with respect to schedule, claims management, project cost, design plans, system operations, conflicts, constructability, delays, and project requirements.
- (3) Assist CSD to determine approval or rejection of change order requests in full or part of initial request. Provide written response(s) to contractor and/or written recommendation to BBCCSD as appropriate.
- (4) Prepare change orders and related documents once CSD has approved the proposed change order request. Secure Contractor's signature and forward change order to CSD for signature.

- The budget is based on processing two (2) change order requests.

6.11 Review Storm Water Management Compliance

- WSC will review the contractor's SWPPP for completeness.
- WSC will observe and document performance of measures for controlling pollution caused by erosion, truck wash out, and equipment fluids and advise the Contractor on observed BMPs that need repair or cleanup.

6.12 Inspection

- WSC will provide an on-site inspector to provide periodic inspection services to provide construction observation, ensure compliance with bid documents, aid with contractor requests, and provide coordination efforts with Caltrans.
- Review contractor's request for substantial completion and list of incomplete work. Conduct a pre-final inspection with CSD, contractor, and representatives of other agencies involved. Record inspection results, compile list of incomplete work and issue certificate of Substantial Completion if appropriate.
- Conduct a final inspection with CSD, contractor, and Caltrans. Once work is 100% complete, provide written recommendation that CSD file the Notice of Completion. WSC will prepare the Notice of Completion form.

6.13 Prepare Final Record Drawings

- Based on changes noted on the As-Built drawings maintained by the Contractor and the Inspector, prepare final As-Built Record Drawings in AutoCAD.
- Provide one full size hard copy of the final As-Built on bond paper and one electronic pdf via email.
- WSC will also provide a copy of the AutoCAD file for the Final Record Drawings, and to Caltrans including required pothole locations in .dwg format.

- *Deliverables:*
- *1. Electronic copies of all submittals and construction documentation.*
- *2. One (1) hard copy and one electronic version (pdf and AutoCAD) of the Final Record Drawings.*

Assumptions

1. Caltrans will provide, in dwg format, the current bridge widening plans and basemap with right-of-way, property lines, drainage courses, utilities (location and depth), topographic contours, surface features, trees, etc. with adequate detail to design the pipeline.
2. Scope does not include preparation of a traffic control plan.
3. Caltrans will acquire the necessary permits and right of way for work within their project limits.

Table 1. Proposed Fee Amendment

Phase 1 Fee Including Construction Management	
Contract Document Development	\$84,741.30
Engineering Services During Construction	\$56,494.20
Inspection and Testing	\$21,185.33
Subtotal	\$162,420.83
Phase 2 Fee Including Construction Management	
Contract Document Development	\$43,602.30
Engineering Services During Construction	\$43,602.30
Inspection and Testing	\$21,801.15
Subtotal	\$109,005.75
Total	\$271,426.58

If you have any questions, please contact me at (805) 457-8833 at ext. 111.

Sincerely,

Water Systems Consulting, Inc.



Dylan Wade P.E., CCM

Vice President

Engineer's Opinion of Probable Construction Cost



Project: Toro Creek Bridge Replacement Pipeline Improvement Project
 Phase 1: Temporary Bypass
Client: Cayucos Sanitary District
Date: 6/25/2020

Bid Item	Description	Unit	Quantity	Unit Price	Extended Cost
1	Mobilization	LS	1	\$67,255.00	\$67,255.00
2	Trench Shoring	LS	1	\$2,000.00	\$2,000.00
3	Traffic Control	LS	1	\$17,200.00	\$17,200.00
4	Protection of Existing Utilities	LS	1	\$10,000.00	\$10,000.00
5	Trench Excavation & Backfill	LS	1	\$9,000.00	\$9,000.00
6	Force Main Piping	LF	1	\$245,000.00	\$245,000.00
7	Connection Details	LS	1	\$34,000.00	\$34,000.00
8	Valves	LS	1	\$76,600.00	\$76,600.00
9	Conduit and Pull Boxes	LS	1	\$10,000.00	\$10,000.00
10	Decontamination of Sanitary Sewerage Piping	LS	1	\$26,300.00	\$26,300.00
11	Demolition of Existing Force Main	LS	1	\$4,000.00	\$4,000.00
12	Temporary Bridge and Footing Design and Installation	LS	1	\$171,000.00	\$171,000.00
13	Temporary Bridge Rental August 2020-March 2022	Month	22	\$33,000.00	\$726,000.00
14	Final Grading and Site Restoration	LS	1	\$14,000.00	\$14,000.00

Soft Costs Including Engineering and Construction Management					
Contract Document Development 30%-100%	LS		1	\$84,741.30	\$84,741.30
ESDC/RPR	LS		1	\$56,494.20	\$56,494.20
Inspection and Testing	LS		1	\$21,185.33	\$21,185.33

Soft Cost Subtotal					\$162,420.83
Bid Item Subtotal					\$1,412,355.00
Contingency on Construction Cost				20.00%	\$282,471.00
TOTAL ESTIMATE OF PROJECT COST - Package 1					\$1,858,000.00

Engineer's Opinion of Probable Construction Cost**Project:**

Toro Creek Bridge Replacement Pipeline Improvement Project
Phase 2: Permanent Pipeline

Client:

Cayucos Sanitary District

Date:

6/25/2020



Bid Item	Description	Unit	Quantity	Unit Price	Extended Cost
1	Mobilization	LS	1	\$34,605.00	\$34,605.00
2	Trench Shoring	LS	1	\$3,000.00	\$3,000.00
3	Traffic Control	LS	1	\$11,900.00	\$11,900.00
4	Protection of Existing Utilities	LS	1	\$11,900.00	\$11,900.00
5	Demolition	LS	1	\$24,300.00	\$24,300.00
6	Trench Excavation & Backfill	LS	1	\$25,000.00	\$25,000.00
7	Force Main Piping	LF	440	\$580.00	\$255,200.00
8	Carrier Pipe System Design & Installation	LS	1	\$233,000.00	\$233,000.00
9	Conduit & Cathodic Protection System Modifications	LS	1	\$36,000.00	\$36,000.00
10	Cast-In-Place Concrete	LS	1	\$3,800.00	\$3,800.00
11	Temporary Bridge & Footing Removal	LS	1	\$65,000.00	\$65,000.00
12	Final Grading and Site Restoration	LS	1	\$23,000.00	\$23,000.00

Soft Costs Including Engineering and Construction Management					
Contract Document Development	LS		1	\$43,602.30	\$43,602.30
ESDC/RPR	LS		1	\$43,602.30	\$43,602.30
Inspection and Testing	LS		1	\$21,801.15	\$21,801.15

Soft Cost Subtotal					\$109,005.75
Bid Item Subtotal					\$726,705.00
Contingency				20.00%	\$21,801.15
TOTAL ESTIMATE OF PROJECT COST - Package 2					\$858,000.00



CAYUCOS SANITARY DISTRICT

TO: Board of Directors

FROM: Rick Koon, District Manager

DATE: July 10, 2020

SUBJECT: ADOPTION OF RESOLUTION 2020-5 WAIVING COMPETITIVE BIDDING, MAKING FINDINGS IN SUPPORT THEREOF AND AUTHORIZING A SOLE SOURCE CONTRACT FOR THE PROCUREMENT OF CONTROL SYSTEMS INTEGRATION AND EQUIPMENT FOR LIFT STATION 5 WITH TESCO CONTROL SYSTEMS, INC.

Discussion:

As part of the Cayucos Sustainable Water Project (CSWP), the District went out to bid for the Lift Station 5 portion of the project. The bids came back significantly above the engineer's estimate, which led to a redesign.

As a result of the redesign process, it has been determined that there is a critical relationship between the control system at Lift Station 5 and the control system for the Water Resource Recovery Facility (WRRF). In order to provide a seamless and integrated control system for these two important project components, it is in the project's best interest for the integration and programming work to be provided by a single contractor. The District has identified Tesco Control Systems, Inc. as the contractor that can best provide control systems integration and equipment for Lift Station 5 and the WRRF.

By contracting directly with Tesco Control Systems, Inc. while the District concurrently prepares equipment submittals and contracts with the Lift Station 5 contractor, months will be saved on the overall schedule for construction of the CSWP. This will represent a significant financial savings/risk reduction to the District that exceeds any benefit that could be expected from a competitive bidding process. Additionally, by working directly with Tesco Control Systems, Inc., the District will be able to secure electrical and controls equipment that is in stock, reducing the District's risk of COVID-19 delivery delays.

The District has also sought and received approval of the United States Department of Agriculture, Rural Development to contract with Tesco Control Systems, Inc. on a sole source basis for the control systems integration and equipment for Lift Station 5.

Tesco Control Systems, Inc. has submitted a proposal for the control systems integration and equipment for the Lift Station 5 work, as well as draft contract documents.

In order to proceed on a sole source procurement basis, it is necessary for the Board of Directors to make appropriate findings in order to waive public works bidding requirements. Accordingly, Resolution 2020-5 has been prepared for Board of Directors' consideration.

Recommendation

It is recommended that the Board of Directors adopt Resolution 2020-5, waiving competitive bidding, making findings in support thereof, and authorizing a sole source contract for the procurement of control systems integration and equipment for Lift Station 5 with Tesco Control Systems, Inc.

Attachments:

- Resolution 2020-5

RESOLUTION NO. 2020-5**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAYUCOS SANITARY DISTRICT WAIVING COMPETITIVE BIDDING, MAKING FINDINGS IN SUPPORT THEREOF AND AUTHORIZING A SOLE SOURCE CONTRACT FOR THE PROCUREMENT OF CONTROL SYSTEMS INTEGRATION AND EQUIPMENT FOR LIFT STATION 5**

WHEREAS, the Cayucos Sanitary District (CSD) is constructing the Cayucos Sustainable Water Project (CSWP), which consists of the construction of a Water Resource Recovery Facility (WRRF) on a greenfield site for the community of Cayucos with the associated pipelines and appurtenances. The work has been and will be awarded under multiple contracts, including: this procurement contract; a contract for WRRF construction; a contract for construction of Lift Station 5, a contract for the construction of solar facilities in the disposal location adjacent to the WRRF; and a contract for the pipeline between the WRRF and Lift Station 5; and

WHEREAS, the CSD has sought bids for the Lift Station 5 Project that were significantly above the Engineer's estimate, which led to a redesign of the Project; and

WHEREAS, as a result of the redesign process it has been determined that there is a critical relationship between the control system at Lift Station 5 and the control system for the WRRF and that in order to provide a seamless and integrated control system for these two vital project components it is in the project's best interest for the integration and programming work to be provided by Tesco Control Systems, Inc. in order to provide the District with the highest quality project and the least concerns regarding the control system warranty and to avoid any delays related to the overall CSWP; and

WHEREAS, the CSD has sought and received approval of the United States Department of Agriculture, Rural Development, which is providing funding for the CSWP, to contract with Tesco Control Systems, Inc. for the control systems integration and equipment for Lift Station 5; and

WHEREAS, Tesco Control Systems, Inc. has submitted a proposal, Quote No.: 20D071Q05 dated May 27, 2020 for the control systems integration and equipment for Lift Station 5 work, and draft contract documents for Cayucos Sustainable Water Project Lift Station 5 Replacement Instrumentation and Controls on June 8, 2020 have been submitted to the United States Department of Agriculture, Rural Development, as required by the United States Department of Agriculture funding Letter of Conditions; and

WHEREAS, contracting directly with Tesco Control Systems, Inc. while the District concurrently prepares equipment submittals while contracting with the Lift Station 5 contractor, will save months on the overall schedule for construction of the CSWP, which will represent a significant financial savings/risk reduction to the District that exceeds any benefit that could be expected from a competitive bidding process. Additionally, by

working directly with Tesco Control Systems, Inc. the CSD will be able to secure electrical and controls equipment that is in stock, reducing the District's risk of COVID-19 delivery delays; and

WHEREAS, a well-recognized exception in Common Law to the competitive bidding requirement for public works projects exists where the nature of a project is such that competitive proposals would be unavailing or would not produce an advantage, thereby rendering any advertisement for competitive bidding undesirable, impractical or impossible, or that engaging in the process would be undesirable as a matter of public interest because a delay would result that would operate to undermine the public benefits to be gained by the proposed project (*Graydon v. Pasadena Redevelopment Agency* (1980) 104 Cal. App. 3d 631, 164 Cal. Rptr. 56);

WHEREAS, additionally it is well-settled that exceptions to the competitive bidding requirement exist in the event that the specific facts and circumstances surrounding the particular work is such that the services sought for the propose project are unique to a single contractor and the public agency must use such specialized services for efficient and effective completion thereof (see, e.g., *Hiller vi City of Los Angeles*, (1962) 197 Cal. App. 2d 685 17 Cal Rptr. 579)

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE CAYUCOS SANITARY DISTRICT DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

1. The facts set forth in the recitals above are true and correct and are hereby incorporated into the Board of Director's findings and determinations.
2. The Board of Directors finds and determines that the facts and circumstances of the CSWP and the necessary related control systems integration and equipment for Lift Station 5, supports a determination by the Board that imposing a formal competitive bidding requirement would be undesirable or impracticable since by contracting with Tesco Control Systems, Inc. for the control systems integration and equipment for Lift Station 5, Tesco will be responsible, pursuant to such contract with the District, to provide all of the controls and communications between Lift Station 5 and the WRRF that it feeds. This has the added benefits of shortening the supply timeline of these electrical panels, which is a part of the critical path of the overall construction of the CSWP and will reduce the risk of delays due to the COVID-19 pandemic. Since Tesco Control Systems, Inc. will be constructing the panels directly, the District will avoid delays that as a matter of public interest would be undesirable because the result of such delays would operate to undermine the public benefits to be gained by the CSWP.
3. Further, additionally supporting the determination that competitive bidding would be undesirable or impracticable is the fact that the

fabrication and delivery of panels and equipment, and provision of integration in accordance with the baseline schedule established for the construction of Lift Station 5 consists of very specialized work which will be performed and coordinated by the contractor and provide the CSD with a complete and integrated control system between the WRRF and the lift station, while saving the schedule for construction of the CSWP.

4. Based upon the foregoing findings and determinations, the competitive bidding process is deemed to not be applicable to the project procurement of the control systems and integration and equipment for Lift Station 5. The Board of Directors hereby approves execution of the procurement contract with Tesco Control Systems, Inc. to perform the work, as set forth in their proposal, Quote No.20D071Q05, dated May 27, 2020.
5. All other applicable legal requirements for procurement and for public works projects shall be complied with in performing the work, including, but not limited to, the provisions of the California Labor Code relating to prevailing wages.
6. This Resolution shall take effect upon adoption.

PASSED, ADOPTED AND APPROVED by the Board of Directors of the Cayucos Sanitary District at a regularly scheduled Board Meeting held on _____, 2020 by the following roll call vote:

AYES:
NAYS:
ABSENT:
ABSTAIN:

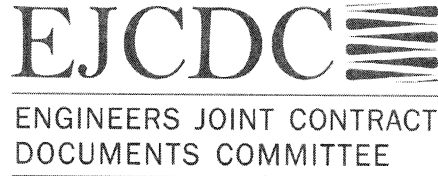
President
Board of Directors

ATTEST:

Secretary
Board of Directors

AGREEMENT BETWEEN BUYER AND SELLER FOR PROCUREMENT CONTRACTS

Prepared by



and

Issued and Published Jointly by



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AMERICAN SOCIETY OF CIVIL ENGINEERS

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AGREEMENT

THIS AGREEMENT (“Agreement”) is by and between **Cayucos Sanitary District** (“Buyer”) and **Tesco Controls, Inc.** (“Seller”).

Buyer and Seller hereby agree as follows:

ARTICLE 1 – GOODS AND SPECIAL SERVICES

1.01 Seller shall furnish the Goods and Special Services as specified or indicated in the Contract Documents.

ARTICLE 2 – THE PROJECT

2.01 The Project, of which the Goods and Special Services may be the whole or only a part, is identified as follows: The construction, commissioning, integration and warranty phase of the Lift Station 5 Replacement Project. Seller will furnish elements of the Cayucos Sustainable Water Lift Station 5 Replacement Project identified in their scope of work including but not limited to: Metering Switchboard; Motor Control Center; Instruments including automatic sampler, flow meters, level elements, etc. . . . ; spare parts; Professional Services and System Integration between the Lift Station 5 Replacement Project and the CSWP WRRF (under separate contract) including, programming, start up services, and trouble shooting.

ARTICLE 3 – ENGINEER

3.01 The Contract Documents for the Goods and Special Services have been prepared by Water Systems Consulting ("Engineer"), which is to act as Buyer's representative, assume all duties and responsibilities, and have the rights and authority assigned to Engineer in the Contract Documents in connection with Seller’s furnishing of Goods and Special Services.

ARTICLE 4 – POINT OF DESTINATION

4.01 The Point of Destination is designated as: *100 Toro Creek Road, Morro Bay, CA*

ARTICLE 5 – CONTRACT TIMES

5.01 *Time of the Essence*

- A. All time limits for Milestones, if any, including the submittal of Shop Drawings and Samples, the delivery of Goods, and the furnishing of Special Services as stated in the Contract Documents, are of the essence of the Contract.

5.02 *Milestones*

- A. *Date for Submittal of Shop Drawings and Samples:* Seller shall submit all Shop Drawings and Samples required by the Contract Documents to Buyer for Engineer’s review and approval on or before 5 days from date when the Contract Times commence to run as provided in Paragraph 2.04 of the General Conditions. It is the intent of the parties that (1)

Engineer conduct such review and issue its approval, or a denial accompanied by substantive comments regarding information needed to gain approval, within fifteen days of Seller's submittal of such Shop Drawings and Samples; and (2) resubmittals be limited whenever possible. If more than one resubmittal is necessary for reasons not the fault and beyond the control of Seller, then Seller shall be entitled to seek appropriate relief under Paragraph 7.02.B of the General Conditions.

- B. *Days to Achieve Delivery of Electrical and Controls Equipment:* The Electrical and Controls Equipment is to be delivered to the Point of Destination and ready for Buyer's receipt of delivery 160 days after the date when the Contract Times commence to run as provided in Paragraph 2.04 of the General Conditions.
- C. *Days for Furnishing Special Services:* The furnishing of Special Services to Buyer will commence within 45 days after Buyer's acknowledgement of receipt of delivery of the Electrical and Controls Equipment, and shall be completed within 45 days thereafter.

5.03 *Buyer's Final Inspection*

- A. *Days to Achieve Final Inspection:* Buyer shall make its final inspection of the Goods pursuant to Paragraph 8.01.C of the General Conditions within 60 days after Buyer's acknowledgement of receipt of delivery of the Goods and Seller's completion of furnishing Special Services, if any.

5.04 *Liquidated Damages*

- A. Buyer and Seller recognize that Buyer will suffer financial loss if the Submittals are not ready within the times specified in Paragraph 5.02 above, plus any extensions thereof allowed in accordance with Article 7 of the General Conditions. The parties also recognize that the timely performance of services by others involved in the Project is materially dependent upon Seller's specific compliance with the requirements of Paragraph 5.02. Further, they recognize the delays, expense, and difficulties involved in proving the actual loss suffered by Buyer if complete Submittals are not submitted on time. Accordingly, instead of requiring such proof, Buyer and Seller agree that as liquidated damages for delay (but not as a penalty) Seller shall pay Buyer \$1000 for each day that expires after the time specified in Paragraph 5.02.B for Submittals.
- B. Buyer and Seller recognize that Buyer will suffer financial loss if the Electrical and Controls Equipment is not delivered at the Point of Destination and ready for receipt of delivery by Buyer within the times specified in Paragraph 5.02 above, plus any extensions thereof allowed in accordance with Article 7 of the General Conditions. The parties also recognize that the timely performance of services by others involved in the Project is materially dependent upon Seller's specific compliance with the requirements of Paragraph 5.02. Further, they recognize the delays, expense, and difficulties involved in proving the actual loss suffered by Buyer if the complete acceptable Electrical and Controls Equipment

is not delivered on time. Accordingly, instead of requiring such proof, Buyer and Seller agree that as liquidated damages for delay (but not as a penalty) Seller shall pay Buyer \$2,000 for each day that expires after the time specified in Paragraph 5.02.B for delivery of acceptable Goods.

ARTICLE 6 – CONTRACT PRICE

6.01 Buyer shall pay Seller for furnishing the Goods and Special Services in accordance with the Contract Documents as follows:

- A. The price stated in Tesco Controls, Inc Proposal dated May 27, 2020, attached hereto as an exhibit (Exhibit “A”) of \$478,550.

ARTICLE 7 – PAYMENT PROCEDURES

7.01 *Submittal and Processing of Payment*

- A. Seller shall submit Applications for Payment in accordance with Article 10 of the General Conditions. Applications for Payment will be processed by Engineer as provided in the General Conditions.

7.02 *Progress Payments; Retainage*

- A. Buyer shall make progress payments on account of the Contract Price on the basis of Seller’s Applications for Payment, and in accordance with the Schedule generally described as follows:
 - 1. Upon receipt of the first Application for Payment submitted in accordance with Paragraph 10.01.A.1 of the General Conditions and accompanied by Engineer’s recommendation of payment in accordance with Paragraph 10.02.A of the General Conditions, an amount equal to 10 percent of the Contract Price will be paid to Seller, less such amounts as Engineer may determine in accordance with Paragraph 10.02.A.3 of the General Conditions.
 - 2. Upon receipt of the second such Application for Payment accompanied by Engineer’s recommendation of payment in accordance with Paragraph 10.01.A.2 of the General Conditions, an amount sufficient to increase total payments to Seller to 75 percent of the Contract Price, less such amounts as Engineer may determine in accordance with Paragraph 10.02.A.3 of the General Conditions.
 - 3. Upon receipt of the Final Application for Payment accompanied by Engineer’s recommendation of payment in accordance with Paragraph 10.05. A. of the General Conditions, an amount sufficient to increase total payments to Seller to 100 percent of the Contract Price, less such amounts as Engineer may determine in accordance with Paragraph 10.02.A.3 of the General Conditions.
- B. This Agreement shall be deemed subject to the provisions of Article 1.7 (commencing at Section 20104.50) of Division 2, Part 3 of the Public Contract Code regarding prompt

payment of contractors by local governments. Article 1.7 mandates certain procedures for the payment of undisputed and properly submitted payment requests within thirty (30) days after receipt, for the review of payment requests, for notice to Contractor of improper payment requests, and provides for the payment of interest on progress payment requests which are not timely made in accordance with that Article. This Agreement hereby incorporates the provisions of Article 1.7 as though fully set forth herein.

7.03 Final Payment

- A. Upon receipt of the final Application for Payment accompanied by Engineer's recommendation of payment, Buyer shall pay Seller the amount recommended by Engineer, less any sum Buyer is entitled to set off against Engineer's recommendation, including but not limited to liquidated damages.
- B. Final payment, constituting the entire unpaid balance of the Contract Sum, shall be paid by the District to the Contractor no sooner than thirty-five (35) days after a Notice of Completion has been recorded, unless otherwise stipulated in the Notice of Completion, provided the work has then been completed, the Agreement fully performed, and a final Certificate for Payment has been issued by the District.

ARTICLE 8 – INTEREST

- 8.01 All monies not paid when due as provided in Article 10 of the General Conditions shall bear interest at the statutory rate.

ARTICLE 9 – SELLER'S REPRESENTATIONS

- 9.01 In order to induce Buyer to enter into this Agreement, Seller makes the following representations:
 - A. Seller has examined and carefully studied the Contract Documents and the other related data identified in the Bidding Documents, as applicable to Seller's obligations identified in Article 1 above.
 - B. If required by the Bidding Documents to visit the Point of Destination and site where the Goods are to be installed or Special Services will be provided, or if, in Seller's judgment, any local condition may affect cost, progress, or the furnishing of the Goods and Special Services, Seller has visited the Point of Destination and site where the Goods are to be installed or Special Services will be provided and become familiar with and is satisfied as to the observable local conditions that may affect cost, progress, and the furnishing of the Goods and Special Services.
 - C. Seller is familiar with and is satisfied as to all Laws and Regulations that may affect cost, progress, and the furnishing of the Goods and Special Services.
 - D. Seller has carefully studied, considered, and correlated the information known to Seller; information commonly known to sellers of similar goods doing business in the locality of the Point of Destination and the site where the Goods will be installed or where Special Services will be provided; information and observations obtained from Seller's visits, if any, to the Point of Destination and site where the Goods are to be installed or Services will be provided; and any reports and drawings identified in the Bidding Documents

regarding the Point of Destination and the site where the Goods will be installed or where Special Services will be provided, with respect to the effect of such information, observations, and documents on the cost, progress, and performance of Seller's obligations under the Contract Documents.

- E. Seller has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Seller has discovered in the Contract Documents, and the written resolution (if any) thereof by Engineer is acceptable to Seller.
- F. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for furnishing Goods and Special Services.
- G. As a material inducement to the District entering into this Agreement, Contractor represents and warrants that Contractor is a provider of first class work and services and Contractor is experienced in performing the work and services contemplated herein and, in light of such status and experience, Contractor covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all materials shall be of good quality and meet the specifications described in Exhibit A. For purposes of this Agreement, the phrase "highest professional standards" shall mean those standards of practice recognized by one or more first-class companies performing similar work under similar circumstances.

ARTICLE 10 – CONTRACT DOCUMENTS

10.01 Contents

- A. The Contract Documents consist of the following:
 - 1. This Agreement (pages _ to _, inclusive);
 - 2. Performance Bond (pages __ to __, inclusive);
 - 3. Payment Bond (pages ____ to ____, inclusive);
 - 4. General Conditions (pages 1 to 31, inclusive);
 - 5. Supplementary Conditions (pages 1 to _, inclusive);
 - 6. Original Proposal (Dated May 27, 2020);
 - 7. Lift Station 5 Replacement Project Plans, Specifications, and Contract Documents.
 - 8. Cayucos Sustainable Water Project Water Resource Recovery Facility Plans, Specifications, and Contract Documents.
 - 9. Exhibits to this Agreement (enumerated as follows):
 - a. USDA Forms: Form RD 400-6 Compliance Statement (pages 1 to 2, inclusive); Form AD-1048 Certification Regarding Debarment, Suspension, Ineligibility and Voluntary

Exclusion – Lower Tier Covered Transactions (pages 1 to 2, inclusive); and RD 1940-Q Certification for Contracts, Grants, and Loans (page 1 of 1).

10. The following which may be delivered or issued on or after the Effective Date of the Agreement and are not attached hereto:
 - a. Notice to Proceed;
 - b. Change Order(s);
 - c. Work Change Directive(s).
- B. The documents listed in Paragraph 10.01.A are attached to this Agreement (except as expressly noted otherwise above).
- C. There are no Contract Documents other than those listed above in this Article 10.
- D. The Contract Documents may only be amended or supplemented as provided in Paragraph 3.04 of the General Conditions.
- E. In the event of direct conflicts in the Contract Documents, interpretations will be based on the following priorities:
 1. Amendments to the Agreement.
 2. The Agreement.
 3. The Supplementary Conditions.
 4. The General Conditions.
 5. Lift Station 5 Contract Documents
 6. Cayucos Sustainable Water Project Water Resource Recovery Facility Contract Documents.
 7. Seller submitted Proposal.
 8. Other documents specifically enumerated in the Agreement as part of the Contract Documents.

ARTICLE 11 – MISCELLANEOUS

11.01 Terms

- A. Terms used in this Agreement will have the meanings indicated in the General Conditions and the Supplementary Conditions.

11.02 Assignment of Agreement

- A. Not Used.

11.03 Successors and Assigns

- A. Buyer and Seller each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto, its partners, successors, assigns, and legal

representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

11.04 *Severability*

- A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Buyer and Seller. The Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

11.05 *Seller's Certifications*

- A. Seller certifies that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing the Agreement. For the purposes of this Paragraph 11.05:
 - 1. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the bidding process or in the Agreement execution;
 - 2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the bidding process or the execution of the Agreement to the detriment of Buyer, (b) to establish Bid or Agreement prices at artificial non-competitive levels, or (c) to deprive Buyer of the benefits of free and open competition;
 - 3. "collusive practice" means a scheme or arrangement between two or more Bidders, with or without the knowledge of Buyer, a purpose of which is to establish Bid prices at artificial, non-competitive levels; and
 - 4. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Agreement.

11.06 *Limitations*

- A. Buyer and Seller waive against each other, and against the other's officers, directors, members, partners, employees, agents, consultants, and subcontractors, any and all claims for or entitlement to incidental, indirect, or consequential damages arising out of, resulting from, or related to the Agreement. Upon assignment the terms of this Paragraph 11.06.A shall be binding upon the assignee with respect to Seller and assignor. The terms of this mutual waiver do not apply to or limit any claim by either Buyer or Seller against the other based on any of the following: (a) contribution or indemnification, (b) costs, losses, or damages attributable to personal or bodily injury, sickness, disease, or death, or to injury to or destruction of the tangible property of others, (c) intentional or reckless wrongful conduct, or (d) rights conferred by any bond provided by Seller under this Agreement.
- B. Upon assignment the terms of this Paragraph 11.06.B shall be binding upon both the assignor and assignee with respect to Seller's liability, and upon Seller with respect to both assignor's and assignee's liabilities. The terms of this mutual limitation do not apply to or

limit any claim by either Buyer or Seller against the other based on any of the following: (a) contribution or indemnification with respect to third-party claims, losses, and damages; (b) costs, losses, or damages attributable to personal or bodily injury, sickness, disease, or death, or to injury to or destruction of the tangible property of others, (c) intentional or reckless wrongful conduct, or (d) rights conferred by any bond provided by Seller under this Agreement.

11.07 *Other Provisions*

- A. Further Responsibilities of Parties. Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible for the service of the other.
- B. Records. Seller shall maintain accurate accounting records and other written documentation pertaining to all costs incurred in performance of this Agreement. Such records and documentation shall be kept at Seller's office during the term of this Agreement, and for a period of three years from the date of the final payment hereunder, and made available to District, USDA, the Comptroller General of the United States, or any of these duly authorized representatives upon request at any time during regular business hours.
- C. Additional Provisions Required by Law. Each and every provision of law and clause required by law to be inserted in this Agreement, including, but not limited to, the following statutorily required provisions, shall be deemed to be inserted herein and the Agreement shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not currently inserted, then upon application of either party the Agreement shall forthwith be physically amended to make such insertion or correction.
- D. The following statutorily required provisions hereby apply to this Agreement:
 - 1. Record Audit. In accordance with Government Code, Section 8546.7, records of both the Buyer and the Seller shall be subject to examination and audit by the Auditor General for a period of three (3) years after final payment.
 - 2. Retention of Securities. Public Contract Code Section 22300 permits the substitution of securities for any monies withheld by a public agency to ensure performance under a contract, at the request and expense of the Seller.
 - 3. Claims. In accordance with the requirements of Public Contract Code Section 9204(e), a copy of Public Contract Code Section 9204 is attached hereto and made a part hereof.
- E. Term. Unless earlier terminated in accordance with Section 12.04 of this Agreement, this Agreement shall continue in full force and effect until completion of the services, except as otherwise agreed in writing by the parties.

ARTICLE 12 – ENFORCEMENT OF AGREEMENT

12.01 *Disputes.*

- A. Subject to the provisions of Section 12.04, in the event of a dispute arising under this Agreement, the parties shall comply with the provisions of this Section. The injured party shall notify the injuring party in writing of its contentions. The injured party shall continue performing its obligations hereunder so long as the injuring party commences to cure such default within ten (10) days of service of such notice and completes the cure of such default within sixty (60) days after service of the notice, or such longer period as may be permitted by the injured party; provided that if the default is an immediate danger to the health, safety and general welfare, such immediate action may be necessary. Compliance with the provisions of this Section shall be a condition precedent to termination of this Agreement for cause by the parties and to any legal action commenced by Seller, and such compliance shall not be a waiver of the parties' right to take legal action in the event that the dispute is not cured. Nothing herein shall limit Buyer's right to terminate this Agreement with or without cause pursuant to Section 12.04.

12.02 *Deduction or Withholding of Funds.*

- A. Seller hereby authorizes the Buyer to deduct from any amount payable to Seller (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate the Buyer for any losses, costs, liabilities, or damages suffered by the Buyer, and (ii) all amounts for which the Buyer may be liable to third parties, by reason of Seller's acts or omissions in performing or failing to perform Seller's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Seller, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, the Buyer may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of the Buyer to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Seller to insure, indemnify, and protect the Buyer as elsewhere provided herein.

12.03 *Waiver*

- A. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

12.04 *Termination Prior to Expiration of Term*

- A. This Section shall govern any termination of this Agreement, except as specifically provided in the following Section, for termination for cause. The parties reserve the right to terminate this Agreement at any time without cause, with not less than one hundred eighty (180) days prior written notice to the other party. Upon receipt of any notice of

termination, Seller shall continue to provide the services hereunder until the expiration termination of this Agreement, or until an earlier date if mutually agreed upon by the parties. Seller shall be entitled to compensation for all services rendered prior to the effective date of the termination and for any services authorized by the Buyer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Engineer, except as provided in Section 12.02 plus reasonable profits prorated for that portion of the work performed up to notice of termination. In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 12.01.

12.05 *Termination for Default of Seller*

- A. If termination is due to the failure of the Seller to fulfill its obligations under this Agreement, the Buyer may take over the work which was being executed by the Seller at the time of default and prosecute the same to completion by contract or otherwise, and the Seller shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the Buyer shall use reasonable efforts to mitigate such damages), and the Buyer may withhold any payments to the Seller for the purpose of set-off or partial payment of the amounts owed the Buyer as previously stated.

12.06 *Legal Action*

- A. In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

12.07 *Attorneys' Fees*

- A. If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to its expert witness fees and reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

12.08 *Authority to Execute*

- A. The person (s) executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

12.09 Extended Warranty and Correction of Defects

- A. The Seller shall warrant and guarantee performance against the following from the date of Project Substantial Completion:
 - 1. Defects in workmanship and materials of all Electrical and Controls Equipment for a period of no less than one (1) year in accordance with the General Conditions Section 8.03.

ARTICLE 13 – DISTRICT OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

13.01 *Non-liability of Buyer's Officers and Employees*

- A. No officer, official, employee, agent, representative, or volunteer of the Buyer shall be personally liable to the Seller, or any successor in interest, in the event of any default or breach by the Buyer or for any amount which may become due to the Seller or to its successor, or for breach of any obligation of the terms of this Agreement.

13.02 *Conflict of Interest*

- A. No officer, official, employee, agent, representative, or volunteer of the Buyer shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation. The Seller warrants that it has not paid or given and shall not pay or give any third party any money or other consideration for obtaining this Agreement.

13.03 *Covenant Against Discrimination*

- A. Seller covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, ancestry or any other basis listed in Section 12940 of the Government Code in the performance of this Agreement. Seller shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry or any other protected class or basis.

13.04 *Warranty & Representation of Non-Collusion*

- A. No official, officer, or employee of Buyer has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of the Buyer participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State

law and shall not include interests found to be "remote" or "non-interests" pursuant to Government Code Sections 1091 or 1091.5. Seller warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any Buyer's official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded any agreement. Seller further warrants and represents that it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party, including, but not limited to, any Buyer's official, officer, or employee, as a result of consequence of obtaining or being awarded any agreement. Seller is aware of and understands that any such act(s), omission(s) or other conduct resulting in the payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

- B. Buyer agrees to execute and return with this Agreement the USDA Forms and Certifications found in Exhibit "B" of this Agreement.

IN WITNESS WHEREOF, Buyer and Seller have signed this Agreement. Counterparts have been delivered to Buyer and Seller. All portions of the Contract Documents have been signed or identified by Buyer and Seller or on their behalf.

This Agreement will be effective on _____ (which is the Effective Date of the Agreement).

Buyer: _____

Seller: _____

By: _____

By: _____

[Corporate Seal]

[Corporate Seal]

Attest: _____

Attest: _____

Address for giving notice:

Address for giving notice:

(If Buyer is a corporation, attach evidence of authority to sign. If Buyer is a public body, attach evidence of authority to sign and resolution or other documents authorizing execution of Buyer-Seller Agreement.)

Agent for service of process:

(If Seller is a corporation or a partnership, attach evidence of authority to sign.)

Designated Representative: Buyer

Name: Rick Koon

Title: District Manager

Address: 200 Ash Avenue (P.O. Box 333)
Cayucos, CA 93430

Phone: (805) 995-3290

Facsimile: (805) 995-3673

Designated Representative: Seller

Name: _____

Title: _____

Address: _____

Phone: _____

Facsimile: _____

**EXHIBIT B USDA Forms and
Certifications to Agreement Between
Buyer and Seller dated ____**

To: Water Systems Consulting, Inc.
Attn: Dylan Wade P.E., CCM
Re: **Cayucos Sanitary District**
Cayucos Sustainable Water Lift Station 5 Replacement

Quote Date: 5/27/2020
Quote No.: **20D071Q05**
Bid Date: 4/8/2020

Dear Customer:

Thank you for your continued interest in TESCO products, services, and solutions. We are pleased to quote the following scope of work pertaining to the above-referenced project. Only the materials/services listed in the below scope are quoted in general conformance with the requirements of the applicable portions of sections: **260500, 262413, 262419, 407500, 409000, 409100, and 409513.**

Scope of Work

Item	Qty	Description
1	± 0	600 Amp Remote Meter Panel – NEMA 3R Enclosure <u>Drawing(s)</u> 55-E102, 55-E201, 55-E602
2	1	Metering Switchboard to include: <ul style="list-style-type: none"> ▪ Custom Freestanding NEMA 1 – Powder Coated Galvanized Enclosures (3-Setions) ▪ Custom Freestanding NEMA 3RX 316 Stainless Steel Weather Wrap Enclosures ▪ Provisions for 600 Amp Utility Metering ▪ 600 Amp Main Disconnect Circuit Breaker with LSIG Trip Unit ▪ 600 Amp Automatic Transfer Switch ‘ATS’ with Controls and IR Sight Glass Window ▪ Panel Heaters and Thermostats ▪ Nameplates and Associated Wiring as Required <u>Drawing(s)</u> 55-E102, 55-E201, 55-E602, 55-E604
3	1	Motor Control Center to include: <ul style="list-style-type: none"> ▪ Custom Freestanding NEMA 12 – Powder Coated Galvanized Enclosures (9-Setions) ▪ Custom Freestanding NEMA 3RX 316 Stainless Steel Weather Wrap Enclosures ▪ 600 Amp Main Disconnect Circuit Breaker with LSI Trip Unit ▪ Distribution Circuit Breakers ▪ Power Quality Meter ‘PQM’ ▪ Voltage Monitoring Relay ‘VMR’ ▪ Surge Protection Device ‘SPD’ ▪ 100 Amp Active Harmonic Filter ‘AHF’ ▪ Two-(2) 50 Amp Thermal Magnetic Circuit Breakers ▪ Two-(2) 300 Amp Thermal Magnetic Circuit Breakers ▪ Two-(2) 22 Amp Variable Frequency Drives ‘VFDs’ with Programmable Keypads ▪ Two-(2) Size 2 Isolation Contactors <u>Drawing(s)</u> 55-E102, 55-E202, 55-E602, 55-E603, 55-E605, 55-E606, 55-E609, 55-E610

Item	Qty	Description
		<ul style="list-style-type: none"> ▪ Two-(2) 125 Amp Variable Frequency Drives 'VFDs' with Programmable Keypads ▪ Two-(2) Size 4 Isolation Contactors ▪ Four-(4) 5% VFD Line Reactors ▪ Four-(4) Pump Controls: <ul style="list-style-type: none"> ▪ Push-Buttons ▪ Indicating Lights ▪ HOA Switches ▪ Elapsed Time Meters ▪ Four-(4) Control Power Transformers ▪ 10KVA Transformer ▪ Panelboard (LP-1) ▪ Four(4) Pump Monitoring Relays (to be furnished by pump supplier and shipped to TESCO for installation) ▪ Power Supplies ▪ Programmable Logic Controller 'PLC' (Allen Bradley CompactLogix) ▪ Operator Interface Terminal 'OIT' (Allen Bradley PanelView) ▪ Radio (MDS) (to be furnished by TESCO Controls through the WRF project via change order) ▪ 8 Port Managed Ethernet Switch (Stratix) (to be furnished by TESCO Controls through the WRF project via change order) ▪ Lightning Arrestor ▪ Six (6) One(1) Intrinsically Safe Barrier 'ISB' ▪ Eleven (11) Five (5) Intrinsically Safe Relays 'ISR' ▪ Two-(2) Flow Transmitters ▪ 1000VA Uninterruptible Power Supply 'UPS' with Shelf ▪ Two-(2) Duplex Convenience Receptacles ▪ Panel Light and Switch ▪ Panel Heater and Thermostat ▪ Panel Cooling as required ▪ Nameplates, Terminal Blocks and Relays as Required
4	2 1	<p>Influent & Effluent Influent & Effluent Automatic Sampler Panels with Accessories – NEMA 4X Enclosures</p> <p style="text-align: right;"><u>Drawing(s)</u> 55-E101</p>
5	2	<p>Vaults A & B – 8" Magnetic Flow Meters – Rated 6P</p> <p style="text-align: right;"><u>Drawing(s)</u> 55-E101, 55-E301, 55-601, 55-E702</p>
6	4 2	<p>Vaults A & B Vaults A & B – Pressure Transmitters with Block & Bleed Valves (PIT, PIT; PIT, PIT) in NEMA 4X Stainless Steel Enclosures</p> <p style="text-align: right;"><u>Drawing(s)</u> 55-E101, 55-E301, 55-601, 55-E702</p> <p style="text-align: right;">Spec. 409000-6</p>

Item	Qty	Description	
7	4	Vaults A & B – Pressure Gauges with Diaphragm Seals and Block & Bleed Valves (PG, PG; PG, PG)	<u>Drawing(s)</u> 55-E101, 55-E301, 55-601 Spec. 409000-6
8	2 1	Vaults A & B – Float Switches (LSHH, LSHH)	<u>Drawing(s)</u> 55-E101, 55-E301, 55-601, 55-E702
9	2 1	Wet Wells A & B – Level Transmitter (LT; LT)	<u>Drawing(s)</u> 55-E101, 55-E301, 55-E702
10	6 3	Wet Wells A & B – Float Switches (LSHH/LSH/LSLL; LSHH/LSH/LSLL)	<u>Drawing(s)</u> 55-E101, 55-E301
11	1	Yagi Antenna with Coax Cable (Pole/Mast by Others)	<u>Drawing(s)</u> 55-E610
12	Lot	Spare Parts to include: <u>Main Switchboard</u> (Spec. 262413-6) <ul style="list-style-type: none"> ▪ Three-(3) Fuses of Each Size and Type <u>Motor Control Center</u> (Spec. 262419-6) <ul style="list-style-type: none"> ▪ Two-(2) Cans of Touch-Up Spray Paint ▪ One-(1) Control Power Transformer of Each Size Provided ▪ Three-(3) LED Panel Lamps and One-(1) Lens for Each Size Provided ▪ Six-(6) Control Fuses of Each Size Provided <u>Process Measurement Devices</u> (Spec. 409100-4 & 5) <ul style="list-style-type: none"> ▪ One-(1) Level Transducer with Cable ▪ One-(1) Float Switch with Cable <u>Process PLC Panels & Hardware</u> (Spec. 409513-6 & 8) <ul style="list-style-type: none"> ▪ One-(1) Intrinsically Safe Barrier (Pepperl+Fuchs) ▪ One-(1) Intrinsically Safe Relay (Pepperl+Fuchs) ▪ One-(1) Multi-Function Duplex Pump Relay (Gems) ▪ One-(1) Wet Well Intrinsically Safe Relay (Gems) ▪ One-(1) Control Relay and Time Delay Relay (IDEC) 	
13	Lot	Two-(2) Year Extended Warranty for TESCO Supplied Electrical Equipment (Spec. 260500-10)	

Item	Qty	Description	
14	Lot	Professional Services: <ul style="list-style-type: none"> ▪ Engineering (Submittals and O&M Manuals) <ul style="list-style-type: none"> ▪ Seismic Calculations for TESCO Supplied Equipment (Spec. 260500-6) ▪ Interconnection Wiring Diagrams for TESCO Supplied Equipment (Spec. 260500-6) ▪ Project Management ▪ Manufacturing Services – Fabrication, Manufacturing, Assembly, Equipment Wiring and Factory Testing <ul style="list-style-type: none"> ▪ Witnessed Factory Testing for TESCO Supplied Equipment (Spec. 260500-9, 262413-6, 262419-11 & 409000-6) ▪ Product Startup Services – Product Quality Review, Verification of Product Installation, Product Parameter Adjustments, Product Programming, Software Upload/Download as Required, Instrument/Device Signal Spanning, Product/Equipment Reconfiguration as Required, Product Function Checks and Product Startup <ul style="list-style-type: none"> ▪ One-(1) Hour of ATS Training On-Site (Spec. 262413-3 & 262413-8) ▪ Two-(2) Hours of MCC Training On-Site (Spec. 262419-13) ▪ Two-(2) 3 Hour Training Session for the Instrumentation & Control Equipment Provided by TESCO (Spec. 409000-11) 	
15	Lot	Professional Services (System Integration): <ul style="list-style-type: none"> ▪ Submittals ▪ Project Management ▪ PLC & OIT Programming (Allen Bradley CompactLogix & PanelView – Spec. 409513-7) ▪ SCADA Programming Modifications to the New Ignition-TESCO SCADA System Currently Being Developed Directly with Cayucos Sanitary District ▪ Product Startup Services – Product Quality Review, Verification of Product Installation, Product Parameter Adjustments, Product Programming, Software Upload/Download as Required, Product Function Checks and Product Startup 	\$55,000.00
		SUBTOTAL Based on Original Design from April 8, 2020 Bid (including applicable sales tax):	\$440,000.00
		Changes based on Re-Design	
		Adder for Switchboard and MCC to be NEMA 3RX Stainless Steel:	\$68,000.00
		Deduct for Removal of Ethernet Switch:	(\$1,600.00)
		Deduct for Removal of 1 Automatic Sampler:	(\$18,000.00)
		Deduct for Removal of 4 Float Switches:	(\$1,200.00)
		Deduct for Removal of 1 Level Transmitter:	(\$1,900.00)
		Deduct for Removal of Remote Meter Cabinet:	(\$2,000.00)
		Deduct for Removal of 5 ISBs and 6 ISRs:	(\$4,500.00)
		Deduct for Removal of NEMA 6P Requirement of Flowmeters:	(\$250.00)
		NEW TOTAL (including applicable sales tax):	\$478,550.00

Project Bid Clarifications

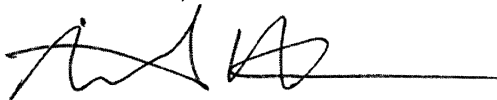
- Unless otherwise indicated by the Scope of Work above, quote is to **furnish only** and does not include any trade labor, trade work, construction work, site improvement, contractor services, or any trade installation services. Any trade labor and/or related trade work shall be performed by others/contractor.
- Unless otherwise indicated by the Scope of Work above, the following is **not** included within this quotation:
 - **Building Alarm Light Beacon & Intrusion Switches by Others (Spec. 262726-2)**
 - **Motor Termination Boxes by Others**
 - **Chlorine Analyzer & Chemical Metering Pump Control Panel Provided on Skid System (Not by TESCO)**
 - **Drawings 55-601, 55-E101 & 55-E604 and Spec. 409513-1**
 - **Switchboard and Motor Control Center Rubber Matting by Others (Spec. 262413-6 & 262419-11)**
 - **Magnetic Flow Meters Upsized to 8" in Addendum**
 - Conduit, field wire, tubing, or basic trade installation materials (brackets, j-box, stanchions, pull-box, etc.)
 - Instrumentation mounting components, brackets, stanchions, sunshields, etc.
 - Local control stations and/or field mounted disconnects.
 - Instrumentation, devices, components, or equipment not specifically identified in the above quotation.
 - Fiber optic patch panels, cable, splicing or terminations.
 - Networking infrastructure or architecture modifications to existing facilities.
 - **Any 3rd party testing, harmonic testing/analysis, protective device coordination study, short-circuit analysis, or Arc-Flash Risk Assessment (AFRA) services. (Spec. 260500-7 & 260573)**
 - Electrical interconnection diagrams for equipment not furnished by TESCO.
 - ISA process control loop diagrams.
 - Signal loop diagrams for equipment not furnished by TESCO.

Terms and Conditions

- Quote is firm for 30 days unless otherwise stated.
- Submittals: to be provided approximately **8-10** weeks after receipt of purchase order or written notice of intent.
- Delivery: to be scheduled approximately **11-14** weeks minimum after submittal approval.
- Addendums Acknowledged: **1, 2, 3**
- Unless otherwise stated above, price does not include any sales tax, use tax, or applicable fees; please apply any taxes and/or fees as appropriate. Please note that all invoices will include sales tax where applicable.
- TESCO price is FOB factory, full freight allowed.
- TESCO warranties against defect in design workmanship and materials for a period of one year from date of installation and does not exceed 18 months from the date of shipment from the factory.
- TESCO carries liability insurance, with full workman's compensation coverage.
- Terms are net 30 days on approved credit accounts.
- Interest will be applied to all past due invoices.
- All merchandise sold is subject to lien laws.
- Final retention to be paid within 10 days after the project notice of completion.

Please feel free to contact us at (916) 395-8800 to discuss any questions or comments you may have regarding this quotation.

TESCO CONTROLS, INC.



AJ Hassan
Senior Sales Estimator
ahassan@tescocontrols.com