



**CITY MANAGER'S REPORT** **PAGE 2**  
**JUNE 11, 2018, CITY COUNCIL REGULAR MEETING**  
**AGREEMENT WITH H2O URBAN SOLUTIONS, INC. FOR WATER SYSTEM**  
**OPERATIONS SUPPORT SERVICES**

**REASON FOR RECOMMENDATION:**

H2Ou staff has been providing water system operations support services since 2011 and is familiar with the City's water system and have developed a good working relationship with City staff.

Staff is recommending approving an agreement with H2Ou to continue providing safe drinking water and reliable water systems operations to protect public health and safety.

**COUNCIL GOALS ADVANCED BY THIS AGENDA ITEM:**

This agenda item promotes Public Safety by providing reliable water system operations to protect public health and safety.

**FISCAL IMPACT:**

In accordance with the scope and fee proposal by H2Ou, the annual cost of services is not to exceed \$128,750 for the Water System Operations support. Funds approved in the City's budget for 2018 - 2019 fiscal year are insufficient to cover negotiated fee adjustment for the Water Systems Operations support and will need a budget amendment to increase Water Fund 5620 through the following budget amendment:

Increase Appropriations:

5620-5050-420-04-00	\$22,310
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**ATTACHMENTS:**

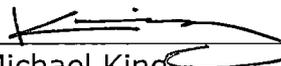
- A. Resolution Approving an Agreement with H2O Urban Solutions, Inc. for Water System Operations Support Services for Fiscal Year 2018-2019
- B. Agreement for Water System Operations Support Services with H2O Urban Solution, Inc. for Fiscal Year 2018-2019

**CITY MANAGER'S REPORT** **PAGE 3**  
**JUNE 11, 2018, CITY COUNCIL REGULAR MEETING**  
**AGREEMENT WITH H2O URBAN SOLUTIONS, INC. FOR WATER SYSTEM**  
**OPERATIONS SUPPORT SERVICES**

**APPROVALS:**

  
\_\_\_\_\_  
Greg Gibson  
Senior Civil Engineer

6/5/18  
Date

  
\_\_\_\_\_  
Michael King  
Senior Civil Engineer

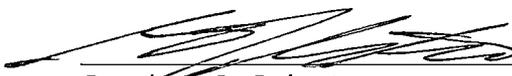
6-5-18  
Date

  
\_\_\_\_\_  
Cari James  
Director of Finance

6/6/18  
Date

  
\_\_\_\_\_  
Salvador V. Navarrete  
City Attorney

6-6-18  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

6-6-18  
Date

**RESOLUTION NO. 18 - \_\_\_\_\_**

**A RESOLUTION APPROVING AN AGREEMENT WITH H2O URBAN SOLUTIONS, INC. FOR WATER SYSTEM OPERATIONS SUPPORT SERVICES FOR FISCAL YEAR 2018-2019 AND A RELATED BUDGET AMENDMENT**

**WHEREAS**, professional services are needed to continue providing water system operations support services to Public Works Operations and Maintenance (PW O&M) staff for operations of the Louise Avenue Water Treatment Facility (LAWTF) and other City water facilities; and

**WHEREAS**, since 2011, H2O Urban Solutions, Inc. (H2Ou) staff have been providing water system operations support services for the City including operation and maintenance of the LAWTF; and

**WHEREAS**, staff recommends City Council approve an agreement with H2Ou to continue services for FY 2018-2019 to provide safe drinking water and reliable water systems operations to protect public health and safety; and

**WHEREAS**, the annual cost of services is not to exceed \$128,750 in accordance with the scope and fee proposal provided by H2Ou;

**WHEREAS**, funds to pay for these services are included in the FY 2018-2019 budget under the Water (5620) Fund.

**NOW, THEREFORE, BE IT RESOLVED**, the City Council of the City of Lathrop hereby approves an agreement with H2O Urban Solutions, Inc., for water system operations support services for 2018 – 2019 fiscal year are insufficient to cover negotiated fee adjustment for the Water Systems Operations support and will need a budget amendment to increase Water Fund 5620 through the following budget amendment:

Increase Appropriations:

5620-5050-420-04-00	\$22,310
---------------------	----------

The foregoing resolution was passed and adopted this 11th day of June 2018 by the following vote of the City Council, to wit:

AYES:

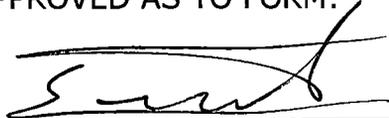
NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:  
  
\_\_\_\_\_  
Salvador Navarrete, City Attorney

\_\_\_\_\_  
Teresa Vargas, City Clerk

**CITY OF LATHROP**  
**AGREEMENT FOR WATER SYSTEM OPERATIONS SUPPORT**  
**SERVICES WITH H2O URBAN SOLUTIONS, INC. FOR FISCAL YEAR**  
**2018-2019**

**THIS AGREEMENT**, dated for convenience this July 1, 2018, is by and between **H2O Urban Solutions, Inc.** ("CONSULTANT") and the CITY OF LATHROP, a California municipal corporation ("CITY");

**RECITALS:**

**WHEREAS**, CONSULTANT is specially trained, experienced, and competent to perform Water System Operations Support Services, which are required by this agreement; and

**WHEREAS**, CITY selected the CONSULTANT pursuant to said qualifications; and

**WHEREAS**, CONSULTANT is willing to render such Water System Operations Support Services, as hereinafter defined, on the following terms and conditions;

**NOW, THEREFORE**, CONSULTANT and the CITY agree as follows:

**AGREEMENT**

**(1) Scope of Service.**

CONSULTANT agrees to perform Water System Operations Support Services in accordance with the scope of work and fee proposal provided by CONSULTANT, attached hereto as Exhibit "A" and incorporated herein by reference. CONSULTANT agrees to diligently perform these services in accordance with the utmost standards of its profession and to CITY'S satisfaction.

**(2) Compensation.**

CITY hereby agrees to pay CONSULTANT a sum not to exceed \$95,670 for Tasks Ops 1-3 and Haz 1 and 2 for a monthly fee for additional support services to be invoiced on a time and materials basis for services performed during each monthly billing period under Tasks Ops 4 and Haz 3 - 9 for an amount not to exceed \$33,080 for a total annual fee not to exceed \$128,750 set forth in Exhibit "A". CONSULTANT shall be paid any uncontested sum due and payable within thirty (30) days of receipt of billings containing all information pursuant to Paragraph 5 below. Compensation for any task must be equal to or less than the percentage of task complete. In no event shall CONSULTANT be entitled to compensation for work not included in Exhibit "A", unless a written change order or authorization describing the extra work and payment terms has been executed by CITY's authorized representative prior to the commencement of the work. Payment is made based on a time and materials basis.

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT  
H2O Urban Solutions

(3) **Effective Date and Term.**

The effective date of this Agreement is **July 1, 2018**, and it shall terminate no later than **June 30, 2019**.

(4) **Independent Contractor Status**

It is expressly understood and agreed by both parties that CONSULTANT, while engaged in carrying out and complying with any of the terms and conditions of this Agreement, is an independent contractor and not an employee of the CITY. As an independent contractor, CONSULTANT is responsible for controlling the means and methods to complete the scope of work described in Exhibit "A" to City's satisfaction. CONSULTANT expressly warrants not to represent, at any time or in any manner, that CONSULTANT is an employee of the CITY.

(5) **Billings**

CONSULTANT'S bills shall include a list of all tasks, a total amount due, the amounts previously billed, and the net amount due on the invoice. Except as specifically authorized by CITY, CONSULTANT shall not bill CITY for duplicate services performed by more than one person. In no event shall CONSULTANT submit any billing for an amount in excess of the rates or the maximum amount of compensation provided in section (2) for either task or for the entire Agreement, unless modified by a properly executed change order.

(6) **Advice and Status Reporting**

CONSULTANT shall provide the CITY with timely reports, orally or in writing, of all significant developments arising during performance of its services hereunder, and shall furnish to CITY such information as is necessary to enable CITY to monitor the performance of this Agreement.

(7) **Assignment of Personnel**

CONSULTANT shall assign only competent personnel to perform services pursuant to this Agreement. If CITY asks CONSULTANT to remove a person assigned to the work called for under this Agreement, CONSULTANT agrees to do so immediately, without requiring the City to process a reason or explanation for its request.

The services shall be performed by, or under the direct supervision, of CONSULTANT's Authorized Representative: **Scott A. Myers, P.E.**, CONSULTANT shall not replace its Authorized Representative without the prior written approval by the CITY.

**(8) Assignment and Subcontracting**

It is recognized by the parties hereto that a substantial inducement to CITY for entering into this Agreement was, and is, the professional reputation and competence of CONSULTANT. Neither this Agreement nor any interest therein may be assigned by CONSULTANT without the prior written approval of CITY'S authorized representative. CONSULTANT shall not subcontract any portion of the performance contemplated and provided for herein, other than the subcontractors noted in the proposal, without prior written approval of the CITY'S authorized representative.

**(9) Insurance**

On or before beginning any of the services or work called for by any term of this Agreement, CONSULTANT, at its own cost and expense, shall carry, maintain for the duration of the Agreement, and provide proof thereof that is acceptable to the CITY the insurance specified in subsections (a) through (c) below with insurers and under forms of insurance satisfactory in all respects to the CITY. CONSULTANT shall not allow any subcontractor to commence work on any subcontract until all insurance required of the CONSULTANT has also been obtained for the subcontractor. Verification of this insurance shall be submitted and made part of this Agreement prior to execution.

- (a) Workers' Compensation. CONSULTANT shall, at CONSULTANT'S sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by CONSULTANT. Said Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than one million dollars. In the alternative, CONSULTANT may rely on a self-insurance program to meet these requirements provided that the program of self-insurance complies fully with the provisions of the California Labor Code. The insurer, if insurance is provided, or the CONSULTANT, if a program of self-insurance is provided, shall waive all rights of subrogation against the CITY for loss arising from work performed under this Agreement.
  
- (b) Commercial General and Automobile Liability Insurance. CONSULTANT, at CONSULTANT'S own cost and expense, shall maintain commercial general and automobile liability insurance for the period covered by this Agreement in an amount not less than one million dollars per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement.

**CITY OF LATHROP – CONSULTING SERVICES AGREEMENT**  
**H2O Urban Solutions**

If Commercial General Liability Insurance or an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

Coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (ed. 11/88) and Insurance Services Office Automobile Liability form CA 0001 (ed. 12/90) Code 1 (any auto).

Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:

- (i) CITY, its officers, employees, agents, and volunteers are to be covered as insured with respect to each of the following: liability arising out of activities performed by or on behalf of CONSULTANT, including the insider's general supervision of CONSULTANT; products and completed operations of CONSULTANT; premises owned, occupied or used by CONSULTANT. The coverage shall contain no special limitations on the scope of protection afforded to CITY, its officers, employees, agents, or volunteers.
- (ii) The insurance shall cover on an occurrence or an accident basis, and not on a claim made basis.
- (iii) An endorsement must state that coverage is primary insurance and that no other insurance affected by the CITY will be called upon to contribute to a loss under the coverage.
- (iv) Any failure of CONSULTANT to comply with reporting provisions of the policy shall not affect coverage provided to CITY and its officers, employees, agents, and volunteers.
- (v) Insurance is to be placed with California-admitted insurers with a Best's rating of no less than A: VII.
- (vi) Notice of cancellation or non-renewal must be received by CITY at least thirty days prior to such change.

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT  
H2O Urban Solutions

- (c) Professional Liability. CONSULTANT, at CONSULTANT'S own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than One Million Dollars (\$1,000,000) per claim made and per policy aggregate covering the licensed professionals' errors and omissions, as follows:
- (i) Any deductible or self-insured retention shall not exceed \$150,000 per claim.
  - (ii) Notice of cancellation, material change, or non-renewal must be received by the CITY at least thirty days prior to such change shall be included in the coverage or added as an endorsement to the policy.
  - (iii) The policy must contain a cross liability or severability of interest clause.
  - (iv) The following provisions shall apply if the professional liability coverages are written on a claims made form:
    - 1. The retroactive date of the policy must be shown and must be before the date of the Agreement.
    - 2. Insurance must be maintained and evidence of insurance must be provided for at least five years after completion of the Agreement or the work, so long as commercially available at reasonable rates.
    - 3. If coverage is canceled or not renewed and it is not replaced with another claims made policy form with a retroactive date that precedes the date of this Agreement, CONSULTANT must provide extended reporting coverage for a minimum of five years after completion of the Agreement or the work. The CITY shall have the right to exercise at the CONSULTANT'S cost, any extended reporting provisions of the policy should the CONSULTANT cancel or not renew the coverage.
    - 4. A copy of the claim reporting requirements must be submitted to the CITY prior to the commencement of any work under this Agreement.

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT  
H2O Urban Solutions

- (d) Deductibles and Self-Insured Retentions. CONSULTANT shall disclose the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement. During the period covered by this Agreement, upon express written authorization of the CITY's authorized representative, CONSULTANT may increase such deductibles or self-insured retentions with respect to CITY, its officers, employees, agents, and volunteers. The CITY's authorized representative may condition approval of an increase in deductible or self-insured retention levels upon a requirement that CONSULTANT procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.
- (e) Notice of Reduction in Coverage. In the event that any coverage required under subsections (a), (b), or (c) of this section of the Agreement is reduced, limited, or materially affected in any other manner, CONSULTANT shall provide written notice to CITY at CONSULTANT'S earliest possible opportunity and in no case later than five days after CONSULTANT is notified of the change in coverage.
- (f) In addition to any other remedies CITY may have if CONSULTANT fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, CITY may, at its sole option:
- (i) Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;
  - (ii) Order CONSULTANT to stop work under this Agreement or withhold any payment which becomes due to CONSULTANT hereunder, or both stop work and withhold any payment, until CONSULTANT demonstrates compliance with the requirements hereof;
  - (iii) Terminate this Agreement.

Exercise of any of the above remedies, however, is an alternative to other remedies CITY may have and is not the exclusive remedy for CONSULTANT'S breach.

**(10) Indemnification - CONSULTANT'S Responsibility**

As to the CONSULTANT'S work hereunder, it is understood and agreed that (a) CONSULTANT has the professional skills necessary to perform the work, (b) CITY relies upon the professional skills of CONSULTANT to perform the work in a skillful and professional manner, and (c) CONSULTANT thus agrees to so perform.

Acceptance by CITY of the work performed under this Agreement does not operate as a release of said CONSULTANT from such professional responsibility for the work performed. It is further understood and agreed that CONSULTANT is apprised of the scope of the work to be performed under this Agreement and CONSULTANT agrees that said work can and shall be performed in a fully competent manner in accordance with the standard of care applicable to CONSULTANT'S profession.

CONSULTANT shall indemnify, defend, and hold CITY, its officers, employees, agents, and volunteers harmless from and against any and all liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, to the extent caused by the willful misconduct or negligent acts or omissions of CONSULTANT, its employees, subcontractors, or agents, or on account of the performance or character of this work, except for any such claim arising out of the negligence or willful misconduct of the CITY, its officers, employees, agents, or volunteers. It is understood that the duty of CONSULTANT to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance of insurance certificates and endorsements required under this Agreement does not relieve CONSULTANT from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

**(11) Licenses**

If a license of any kind, which term is intended to include evidence of registration, is required of CONSULTANT, its employees, agents, or subcontractors by federal or state law, CONSULTANT warrants that such license has been obtained, is valid and in good standing, and CONSULTANT shall keep it in effect at all times during the term of this Agreement, and that any applicable bond has been posted in accordance with all applicable laws and regulations.

**(12) Business Licenses**

CONSULTANT shall obtain and maintain a CITY of Lathrop Business License until all Agreement services are rendered and accepted by the CITY.

**CITY OF LATHROP – CONSULTING SERVICES AGREEMENT  
H2O Urban Solutions**

**13) Termination**

Either CITY or CONSULTANT may cancel this Agreement upon 30 days written notification to the other party. In the event of termination, the CONSULTANT shall be entitled to compensation for services performed to the effective date of termination; provided, however, that the CITY may condition payment of such compensation upon CONSULTANT'S delivery to the CITY of any or all documents, photographs, computer software, video and audio tapes, and other materials provided to CONSULTANT or prepared by or for CONSULTANT or the CITY in connection with this Agreement.

**(14) Funding**

CONSULTANT agrees and understands that renewal of this agreement in subsequent years is contingent upon action by the City Council consistent with the appropriations limits of Article XIII (B) of the California Constitution and that the Council may determine not to fund this agreement in subsequent years.

**(15) Notices**

All contracts, appointments, approvals, authorizations, claims, demands, Change Orders, consents, designations, notices, offers, requests and statements given by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if (1) personally served, (2) sent by the United States mail, postage prepaid, (3) sent by private express delivery service, or (4) in the case of a facsimile transmission, if sent to the telephone FAX number set forth below during regular business hours of the receiving party and followed with two (2) Days by delivery of a hard copy of the material sent by facsimile transmission. Personal service shall include, without limitation, service by delivery and service by facsimile transmission.

To City: City of Lathrop  
City Clerk  
390 Towne Centre  
Lathrop, CA 95330

Copy to: City of Lathrop  
Department of Public Works  
390 Towne Centre  
Lathrop, CA 95330

MAIN: (209) 941-7430  
FAX: (209) 941-7449

To Consultant: H2O Urban Solutions, Inc.  
4159 Anatolia Drive  
Rancho Cordova, CA 95742

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT  
H2O Urban Solutions

**(16) Miscellaneous**

- (a) Consent. Whenever in this Agreement the approval or consent of a party is required, such approval or consent shall be in writing and shall be executed by a person having the express authority to grant such approval or consent.
- (b) Controlling Law. The parties agree that this Agreement shall be governed and construed by and in accordance with the Laws of the State of California.
- (c) Definitions. The definitions and terms are as defined in these specifications.
- (d) Force Majeure. Neither party shall be deemed to be in default on account of any delay or failure to perform its obligations under this Agreement, which directly results from an Act of God or an act of a superior governmental authority.
- (e) Headings. The paragraph headings are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part of this Agreement.
- (f) Incorporation of Documents. All documents constituting the Agreement documents described in Section 1 hereof and all documents which may, from time to time, be referred to in any duly executed amendment hereto are by such reference incorporated in the Agreement and shall be deemed to be part of this Agreement.
- (g) Integration. This Agreement and any amendments hereto between the parties constitute the entire Agreement between the parties concerning the Project and Work, and there are no other prior oral or written agreements between the parties that are not incorporated in this Agreement.
- (h) Modification of Agreement. This Agreement shall not be modified or be binding upon the parties unless such modification is agreed to in writing and signed by the parties.
- (i) Provision. Any agreement, covenant, condition, clause, qualification, restriction, reservation, term or other stipulation in the Agreement shall define or otherwise control, establish or limit the performance required or permitted or to be required of or permitted by either party. All provisions, whether covenants or conditions, shall be deemed to be both covenants and conditions.

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT  
**H2O Urban Solutions**

- (j) Severability. If a court of competent jurisdiction finds or rules that any provision of this Agreement is void or unenforceable, the provisions of this Agreement not so affected shall remain in full force and effect.
- (k) Status of CONSULTANT. In the exercise of rights and obligations under this Agreement, CONSULTANT acts as an independent contractor and not as an agent or employee of CITY. CONSULTANT shall not be entitled to any rights and benefits accorded or accruing to the City Council members, officers or employees of CITY, and CONSULTANT expressly waives any and all claims to such right and benefits.
- (l) Successors and Assigns. The provisions of this Agreement shall inure to the benefit of, and shall apply to and bind, the successors and assigns of the parties.
- (m) Time of the Essence. Time is of the essence of this Agreement and each of its provisions. In the calculation of time hereunder, the time in which an act is to be performed shall be computed by excluding the first Day and including the last. If the time in which an act is to be performed falls on a Saturday, Sunday or any Day observed as a legal holiday by CITY, the time for performance shall be extended to the following Business Day.
- (n) Venue. In the event that suit is brought by either party hereunder, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of San Joaquin or in the United States District Court for the Eastern District of California.
- (o) Recovery of Costs. The prevailing party in any action brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs, including reasonable attorney's fees, incurred or expended in connection with such action against the non-prevailing party.

**(17) Notice to Proceed**

Prior to commencing work under this agreement, CONSULTANT shall receive a written "Notice to Proceed" from CITY. A Notice to Proceed shall not be issued until all necessary bonds and insurances have been received. City shall not be obligated to pay CONSULTANT for any services prior to issuance of the Notice to Proceed.

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT  
**H2O Urban Solutions**

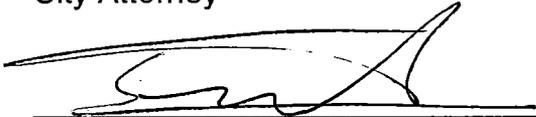
**(18) Signatures**

The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONSULTANT and the CITY. This agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

**CITY OF LATHROP – CONSULTING SERVICES AGREEMENT  
H2O Urban Solutions**

Approved as to Form:

City of Lathrop  
City Attorney

  
\_\_\_\_\_  
Salvador Navarrete 6.6.18  
Date

Recommended for Approval:

City of Lathrop  
Senior Civil Engineer

\_\_\_\_\_  
Michael King Date

Accepted By:

City of Lathrop  
390 Towne Centre Drive  
Lathrop, CA 95330

\_\_\_\_\_  
Stephen J. Salvatore Date  
City Manager

CONSULTANT:

**H2O Urban Solutions  
4159 Anatolia Drive  
Rancho Cordova, CA 95742**

Fed ID # \_\_\_\_\_  
Business License # \_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Print Name and Title)



4159 Anatolia Drive  
Rancho Cordova, CA 95742  
(916) 869-4957

April 16, 2018

Milt Daley, Maintenance Superintendent  
City of Lathrop  
390 Towne Centre Drive  
Lathrop, CA 95330

**Re: City of Lathrop 2018-19 Water Systems Operations Proposal & Hazardous Waste / Hazardous Materials Compliance Support**

Dear Mr. Daley,

H2O Urban Solutions, Inc. (H2Ou) is pleased to present you with this proposal for the Water Systems Operations and Support services to assist the City of Lathrop (City) with compliance with California State Department of Drinking Water (DDW) and to support the City in their compliance with San Joaquin County Environmental Health (EHD) - Hazardous Materials/Waste Program. The following summarizes our understanding of the work we are to perform:

**General Contract Scope and Understanding:**

The City desires to extend the contract for services to support the water operations responsibilities for their water facilities, including Louise Avenue Water Treatment Facility (LAWTF), Booster Stations 1-4, Wells 6-10, and SSJID Turnout(s). The City generally does not require operations support for their water distribution system for regulatory reporting of bacteriological sample sitting program, their lead and copper sampling, or for pipe repairs, etc. The support for water operations as it relates to the water distribution system would include meeting water demands, monitoring water pressures, ensuring availability of fire flows, providing desired and minimum chlorine residuals.

The City Water Operations Staff has learned and supported the water treatment operations of LAWTF under the responsibility of H2Ou personnel. The City would like its water operations staff to continue supporting the day to day water operations and maintenance responsibilities, while H2Ou would provide the role of Chief Water Operator, support water operations oversight of City Staff, provide regulatory reporting support for compliance with DDW, and assist City Staff in troubleshooting water operations issues as they arise. In addition, City Staff will continue to assist in supporting the regulatory compliance responsibilities with DDW. As such, H2Ou personnel will continue to cross train City Staff in the regulatory support role and reporting requirements.

This scope does not include any operation support for the Well 21 facility at this time as it is currently in an inactive status.

In addition to the Operations support, the City has requested that H2Ou assist in the support of the compliance with Hazardous Waste and Hazardous Material regulatory compliance, monitoring, training and reporting.

**Water System Operations Services:**

For purposes of this work, it is understood the following personnel are assigned to the position and roles listed:

H2Ou Personnel:

Chief Operator (T3 or higher)	Scott Myers
Lead Operator (T2)	Anthony Ouellette
Support Operator (T2)	Jeremy Garrett

City Personnel:

Maintenance Superintendent	Milton Daley
Lead Operator	Chris Hart (T3)
Water Operator	Mike Dunn (T3)
Water Operator	Phil Humphrey (T2)
Water Operator	Henry Hernandez (T2)
Water Operator	Ian Zeihr (T2)

For purposes of this work, the following responsibilities and protocols are detailed below for both the City and H2Ou:

**H2Ou's Tasks and Responsibilities** – H2Ou water operations personnel will provide the following efforts and responsibilities associated with water systems and treatment operations.

- Ops 1. Liability, Regulatory Reporting, Chief Operator Responsibility (LAWTF & Well 21) – H2Ou will provide the role of Chief Water Operator and support the City's water facilities identified at the beginning of this proposal. This will include water operations performance oversight of City's water operator staff, regular site condition observations and assessments for LAWTF and the other water facilities, daily remote monitoring of water operations using SCADA, review of field data, laboratory water quality results, water operation reports and checklists generated by City water operations staff. This role will also monitor and confirm scheduling of routine maintenance, maintenance oversight and advisement. Communications by City Staff is essential in ensuring H2Ou is aware of activities and observations to allow efficient, reliable water operations. H2Ou personnel will continue to cross train and have City Staff understand what information and format is reported to the regulatory agencies and will share this information with City Staff when those reports are submitted.
- Ops 2. Operations, Regular Site Visits, remote Monitoring, Records and Performance Assessment:

LAWTF – H2Ou Operations Staff will visit facilities as necessary to perform regular ongoing site visits, review records and assess the condition and performance for oversight to ensure proper operations, chemical levels, etc. H2Ou Operations Staff will check in with City Operators and Maintenance Superintendent to discuss any items that may have come up from previous visit and coordinate activities or items for the current or upcoming weeks. H2Ou will assist in supporting alarms, oversee response, and provide advisement to City Water Operations staff. H2Ou will provide support to City Water Operations Staff for alarms generated by SCADA and provide oversight and review City Staff response to those alarms. Alarms shall be tracked and reported so both H2Ou and City Staff can identify issues for follow up and determine the root cause of the alarms to avoid them in the future or minimize nuisance alarms. H2Ou will provide advisement to City Staff on alarm issues as they arise.

Ops 3. Support On-call Operators 24/7/365:

LAWTF – H2Ou will support City On-call Water Operations Staff and will be the secondary responsibility for after hours, weekend, and holidays. H2Ou will be available by phone if needed to answer questions, provide troubleshooting suggestions, work-arounds, set point options, etc. to the City On-Call Water Operator. This task is supported based on the estimate of approximately ½ hour per day on average for normal alarms and responses.

Ops 4. Operations Time and Materials Budget: As-needed Operations & Maintenance Support –

It is difficult to predict or capture non-recurring of unusual circumstances that may be required to support this type of contract. A budget item to support the need for these additional items or items that do not fall within the scope of items Ops 1 through Ops 3 above can be handled on a time and material basis. 40 hours of time has been estimated to allow this flexibility to use H2Ou's expertise in supporting this contract. These additional responsibilities may include meetings, permitting, responding to emergencies, supporting development of additional procedures or protocols engineering support, etc. H2Ou will notify the City's Maintenance Superintendent, Milton Daley, in advance, for approval in writing when tasks are required outside of the items listed above that would be supported by the task item.

Should significant issues arise in response to on-call support requiring more than 2 hours to investigate and resolve, or should H2Ou be required to report on-site to further support the on-call or operations efforts, this effort would be completed under this task item.

**City of Lathrop Tasks and Responsibilities** – City Water Operations Personnel will provide the following efforts and responsibilities associated with water systems and treatment operations:

1. Water Operations LAWTF – Perform day to day water operations, including facility observations for performance of all equipment, water quality sampling and field lab analyses, monitor levels in tanks, filter vessels, chemicals, sludge, filter press, sumps, basins etc. associate with all water facilities. City Staff will note any deficiencies for LAWTF and Well 21 to H2Ou Chief Operator. City operations staff will perform their duties under the direction of the City's Maintenance Superintendent, City's Lead Operator, and H2Ou's Chief Operator. Changes to set points, lead/lag settings, chemical dosing, or any other operation changes shall be in accordance with Standard Operating Procedures and shall go through a written verification and authorization protocol with H2Ou's Chief Operator before changes are made.
2. Regular Maintenance and Repairs LAWTF – Perform regular and periodic maintenance and repairs in accordance with the Operations and Maintenance Manuals, for each facility, Manufacturer's Recommendations, and Standard Industry Practices. City Staff shall keep all equipment in good working order and restore equipment back to service quickly and efficiently. Any outages should be reported to H2Ou's Chief Operator. Coordination with H2Ou's Chief Operator should also take place just prior to placing equipment back into service and after equipment is placed into service. City Staff should monitor repaired equipment to ensure it is working properly. Any deficiencies or concerns should be reported to H2Ou's Chief Operator.

3. Reporting LAWTF– Perform daily operations reports and inspection checklist, identifying facility and field conditions, deficiencies, outages, field water quality results, equipment readings, etc. in accordance with the Operations Manuals and Standard Operating Procedures or Directives. Copies of report documents shall be made available through email or an acceptable online repository, so H2Ou’s Chief Operator or Lead Operator may monitor the information. Any item that is not operating within normal ranges or items identified of concern should be communicated and called attention to in either an email or phone call to H2Ou’s Chief Operator of Lead Operator.
4. Water Quality Sampling LAWTF – Perform daily and scheduled field water quality tests in accordance with DDW Permit requirements, Operations Manuals, Standard Operating Procedures and report in accordance with the Reporting requirements above. Laboratory water quality sampling shall be assisted by the City on Duty Water Operator to ensure compliance with sampling procedures at facilities where water system operations need to be verified to ensure improper sampling does not occur at times when backwashing or other operational activities that may not be representative of the typical water quality for the particular sample location. City Water Operations Staff should follow Standard Operating Procedures for water quality sampling efforts.
5. First On Call Responsibility and Emergencies LAWTF – City Staff will be the primary responsibility for filling after hours, weekend and holiday on call duties, including monitoring the water system through SCADA and site visits and responding to alarms, security breaches, and emergencies. A schedule and notification of the on-call water operator should be provided to H2Ou for their records. Any changes to the schedule shall be communicated as soon as available. City on-call staff shall be trained and competent to handle those responsibilities. H2Ou’s Chief Operator shall be kept informed of all alarms, any issues, or emergencies.
6. Support Regulatory Reporting and Cross Training – City Staff will assist in the support of regulatory reporting under the supervision and reviewed by H2Ou personnel. H2Ou personnel will continue to cross train City Staff to understand the information and knowledge necessary to support the regulatory reporting and procedures. H2Ou personnel still maintains responsibility to approve all reporting to DDW. However, the information will be provided to City Staff, and City Staff will submit all reporting to DDW after written review and approval by H2Ou.

**Shared Responsibilities** – It is recognized that the arrangement of this contract with the City and H2Ou involves some shared responsibilities, liability, etc. As such, each entity will act in good faith while performing their duties for the common goal for meeting drinking water standards, ensuring reliable performance of the water facilities, and work cooperatively together in addressing any issues, deficiencies, outages, etc.

1. Regulatory Reporting and Compliance – Both H2Ou and the City will have responsibilities for reporting to DDW or other entities. H2Ou will be responsible for the reporting of LAWTF and Well 21 performance in its monthly report to the State, reviewing water quality results for field or laboratory analysis for compliance, or any other reporting requirements specifically identified or agreed to in writing during this contract for the facilities identified previously. The City will be responsible for reporting the bacteriological results, THM’s/HAA5’s, manifests, and all other reporting not specifically identified in this contract unless agreed to by H2Ou in writing as indicated above. Regulations change regularly in the water industry and this Contract is entered

into by both parties with the understanding that compliance for water treatment parameters is based on the current regulations at the date of executing this contract. Should regulations change after entering into this contract that impact the performance or ability for H2Ou to allow the City to be in compliance of those changed regulations, the City acknowledges H2Ou may require additional compensation to meet the change regulatory requirements.

**Hazardous Waste / Materials Compliance Services:**

For purposes of this work, it is understood the following personnel are assigned to the position and roles listed:

**H2Ou Personnel:**

Primary Haz Contact	Anthony Ouellette
Alternate Haz Contact	Scott Myers

**City Personnel:**

Primary Contact - Maintenance Superintendent	Milton Daley
Lead Operations Contact	Chris Hart (T3)
Alternate Operations Contact	Mike Dunn (T3)
Lead Parks Maintenance Supervisor Contact	Lily Liu

**H2Ou’s Tasks and Responsibilities** – H2Ou personnel will provide the following efforts and responsibilities associated with compliance with San Joaquin County Environmental Health Hazardous Materials/Waste Program.

Haz 1. Liability, Regulatory Reporting, & CERS Updates – H2Ou will provide support to the City at the Louise Avenue Water Treatment Facility (LAWTF) for oversight of the City’s Hazardous Materials/Waste program. This will include performance oversight of the City’s Water Operations and Parks staff, regular site condition observations and assessments for LAWTF. This role will also monitor and confirm scheduling for hazardous waste removal and transport to a hazardous waste receiving facility. H2Ou will conduct routine inspections of the entire LAWTF and provide the Operations & Maintenance Supervisor written results of each inspection.

The City will provide H2Ou access to CERS with full administrative permissions giving H2Ou the authority to receive updates, and messages from EHD and the ability to submit and update the City’s Hazardous Materials/Waste regulatory documentation.

Haz 2. Regular Site Visits and Inspection Reports - H2Ou Staff will visit The City’s corporation yard as necessary to perform regular ongoing site visits, review records and assess the condition and performance for oversight to ensure proper regulatory compliance. H2Ou will check in with City Contacts listed above to discuss any items that may have come up from previous visit and coordinate activities or items for the current or upcoming weeks. H2Ou will provide written inspection report with photos and identify any items of concern or need to be addressed should they arise.

Haz 3. Maintain EPA Number, Activation & Annual Questionnaire - The City will give H2Ou the authority to create an account that will enable H2Ou to provide support to ensure the City’s EPA number remains active with the Department of Toxic Substances Control

(DTSC). Support will include any reporting, completion of the annual questionnaire, and facilitating the payment of any fee's. Fee's will be paid by the City directly.

- Haz 4. Maintain/Update Emergency Response Contingency Plan (ERCP) – The City recently developed an ERCP, which is currently under the review by EHD. H2Ou will make necessary modifications to ERCP based on the comments from EHD. Furthermore, H2Ou will conduct routine updates to the ERCP due to any changes in hazardous materials used, waste generated, and/or procedural changes.
- Haz 5. Develop, maintain, and provide initial and refresher training per Title 22 – H2Ou will develop all training material required by Title 22. H2Ou will conduct initial training for Operations & Parks staff, and H2Ou will conduct refresher training as required for all Operations & Parks staff. H2Ou will properly maintain training records at LAWTF, which will include: training material, staff attendance/sign in sheets/certificates, job descriptions, and schedule for training to be completed.
- Haz 6. Develop Standard Operating Procedures – H2Ou will develop the necessary SOP's as required by EHD. H2Ou will properly maintain SOP's at LAWTF, and make necessary modifications as required.
- Haz 7. Above Ground Petroleum Storage Act (APSA), Spill Prevention Control Countermeasures (SPCC) – The City is currently developing an SPCC plan as required by APSA. H2Ou will continue to assist the City with developing an SPCC plan and will be responsible to adequately maintain/update the plan as required to ensure compliance.
- Haz 8. Hazardous Waste / Materials Time and Materials Budget – As-needed Hazardous Waste & Hazardous Materials Compliance Support. It is difficult to predict or capture non-recurring of unusual circumstances that may be required to support this type of contract. A budget item to support the need for these additional items or items that do not fall within the scope of items Haz 1 through Haz 7 above can be handled on a time and material basis. 80 hours of time has been estimated to allow this flexibility to use H2Ou's expertise in supporting this contract. These additional responsibilities may include meetings, permitting, responding to emergencies, supporting development of additional procedures or protocols engineering support, etc. H2Ou will notify the City's Maintenance Superintendent, Milton Daley, in advance, for approval in writing when tasks are required outside of the items listed above that would be supported by the task item.
- Haz 9. Hazardous Waste / Materials Initial Compliance Services – H2Ou will perform a one-time initial effort to aid in the City's compliance with their Hazardous Materials / Waste program.

**City of Lathrop Tasks and Responsibilities** – City Operations & Parks staff will provide the following efforts and responsibilities associated with compliance of the City's Hazardous Materials/Waste Program at LAWTF.

1. Regulatory - City staff who work at LAWTF will ensure they follow all regulatory requirements pertaining to Hazardous Materials/Waste. It is the responsibility of City

staff to notify H2Ou if regulatory requirements are not followed or procedures need to be updated.

2. Hazardous Materials/Waste Handling – City staff will properly maintain all Hazardous Materials/Waste; use personal protective equipment (PPE) when required, ensure all containers for Hazardous Materials are properly stored and labeled. City staff will be responsible for all Hazardous Materials/Waste spill clean-ups, and initial notification to a Supervisor. H2Ou will be notified as soon as possible of spill verbally, and then followed up with written notification and shall include: material/waste that was spilled, amount spilled, time of spill, location/area impacted, how was spill cleaned-up, and where was material placed, was the spill contained, did spill enter storm/sewer/drainage channel/basin, Supervisor contacted, was 911 called, and were there any injuries.
3. Reporting – Operations staff who perform daily water operations inspections shall also inspect all hazardous materials/waste storage areas to ensure proper storage is maintained and keep record of inspection. City staff will assist and or provide information to H2Ou as needed to maintain compliance. City staff shall inform H2Ou immediately and in writing of any changes that are required but not limited to: SOP's, ERCP, training material etc. Failure to notify H2Ou in a timely matter could result in the City receiving a notice of violation (NOV).
4. Fee's – The City will pay for any fees associated with maintaining the City's large generator permit, CAL EPA number, or other fee's, and assessments as needed to maintain compliance.
5. Training – The City will ensure all staff who work at LAWTF (Operations & Parks) will be available for all training required. The City will also provide the facilities for training and training will be conducted as required by Title 22. The City will be responsible for the costs of any additional training required for compliance for City Staff as required.
6. Above Ground Petroleum Storage Act (APSA), Spill Prevention Control Countermeasures (SPCC) – The City is currently developing an SPCC plan as required by APSA. H2Ou will continue to assist the City with developing an SPCC plan and will be responsible to adequately maintain/update the plan as required to ensure compliance.

**Limitations and Exclusions** - H2Ou is not responsible for any fees or outside costs for training, permits, compliance, disposal, sampling, laboratory analysis, etc.

The scope for hazardous waste and materials compliance is for the LAWTF Corporation Yard facility only and does not include other sites or locations.

Should regulations change or be adopted that may impact the scope of services, H2Ou will provide additional scope of services for City's approval to maintain compliance.

This scope does not include compliance for safety regulations or other regulatory compliance not specifically mentioned and shall be limited to the items identified in each task or responsibility.

This scope does not include compliance for Air Quality Management District.

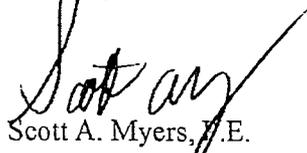
H2Ou will not be responsible for fines or violations resulting from actions by City Staff that are not in accordance with their training, standard procedures, protocol, etc.

2018/2019 Fee Schedule (Assumes Well 21 not online for regular operations in FY '18-19):

Item	Task Description	Qty	Units	Rate	Subtotal
Ops 1	Liability, Regulatory, Chief Operator Responsibility:	1	Fixed Fee	\$30,000.00	\$30,000.00
Ops 2	Regular Site Visits, Remote Monitoring, Records, and Performance Assessment:	200	hours	\$115.00	\$23,000.00
Ops 3	On Call Services 24/7/365:	365	Days	\$58.00	\$21,170.00
Ops 4	Operations Time & Materials Budget: As needed for SOP's, Forms, Hazardous Materials Plan, Emergency Response Plan, Permitting or other needs	40	Hours	\$115.00	\$4,600.00
Haz 1	Liability, Regulatory Reporting, & CERS Updates	1	Fixed Fee	\$15,000.00	\$10,000.00
Haz 2	Regular Site Visits and Inspection Reports	100	Hours	\$115.00	\$11,500.00
Haz 3	Maintain EPA Number, Activation & Annual Questionnaire	10	Hours	\$115.00	\$1,150.00
Haz 4	Maintain/Update Emergency Response Contingency Plan (ERCP)	16	Hours	\$115.00	\$1,840.00
Haz 5	Develop, maintain, and provide initial and refresher training per Title 22	20	Hours	\$115.00	\$2,300.00
Haz 6	Develop Standard Operating Procedures	16	Hours	\$115.00	\$1,840.00
Haz 7	Above Ground Petroleum Storage Act (APSA), Spill Prevention Control Countermeasures (SPCC)	10	Hours	\$115.00	\$1,150.00
Haz 8	Hazardous Waste / Materials Time and Materials Budget	80	Hours	\$115.00	\$9,200.00
Haz 9	Hazardous Waste / Materials Initial Compliance Services	1	Lump Sum	\$11,000.00	\$11,000.00
	<b>Subtotal Tasks Ops 1- Ops 3 &amp; Haz 1 – Haz 2 (To be billed monthly)</b>				<b>\$95,670.00 \$7,972.50/month</b>
	<b>Total Water Operations</b>				<b>\$128,750.00</b>

We look forward to working with you on this project. If you have any questions or require further information, please feel free to contact me at (916) 869-4957 or [scott@H2Ourban.com](mailto:scott@H2Ourban.com). Thank you very much again for this opportunity.

Sincerely,



Scott A. Myers, P.E.  
Vice President

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