



JOSHUA BASIN WATER DISTRICT
SPECIAL MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY, OCTOBER 19, 2016 6:30 PM
61750 CHOLLITA ROAD, JOSHUA TREE, CALIFORNIA 92252
ATTENDING TELEPHONICALLY: President Victoria Fuller, 30 Tetilla Rd Santa Fe, NM 87508

SPECIAL MEETING AGENDA

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **DETERMINATION OF A QUORUM**
4. **APPROVAL OF AGENDA**
5. **PUBLIC COMMENT**
 Members of the public may address the Board at this time with regard to matters within the Board’s jurisdiction that are not listed on the agenda. State law prohibits the Board of Directors from discussing or taking action on items not included on the agenda. Members of the public will have the opportunity for public comment on any item listed on the agenda when it is addressed on the agenda. Please limit comments to three (3) minutes or less.
6. **CONSENT CALENDAR**
 Items on the Consent Calendar are considered routine in nature and will be adopted in total by one action of the Board of Directors unless any Board Member or any individual or organization interested in one or more consent calendar items wishes to be heard.
 - a. Approve Draft Minutes of the October 5, 2016 Regular Meeting of the Board of Directors.
7. **JUST WHAT DOES A LOBBYIST DO?** Recommend that the Board receive for information only.
8. **PROPOSAL TO HIRE KENNEDY JENKS TO PROVIDE GRANT**
 Recommend that the Board authorize the General Manager to enter into a contract with Kennedy Jenks to provide grant services, at a cost not to exceed \$60,000.
9. **STANDING COMMITTEE REPORTS**
 - A. **FINANCE COMMITTEE MEETING:** President Fuller and Director Johnson. Next meeting is scheduled for November 1, 2016 at 9:00 a.m.
 - B. **WATER RESOURCES AND OPERATIONS COMMITTEE:** Vice President Luckman and Director Johnson. Next meeting is scheduled for November 1, 2016 at 10:00 a.m.
 - C. **LEGISLATIVE AND PUBLIC INFORMATION COMMITTEE:** Vice President Luckman and Director Unger. Kathleen Radnich, Public Outreach Consultant to report. Next meeting is scheduled for November 2, 2016 at 9:30 a.m.

Pages 3-5

Pages 6-11

Pages 12-22

10. **DISTRICT GENERAL COUNSEL REPORT**
11. **GENERAL MANAGER REPORT**
12. **FUTURE DIRECTOR MEETINGS AND TRAINING OPPORTUNITIES**
 - Mojave Water Agency Board of Directors Meeting – October 27, 2016- Vice President Luckman
 - ACWA Region 9 Program & Tour 2016 – November 4, 2016-President Fuller & Vice President Luckman attending.
 - ASBCSD – TBD- November 14, 2016,
 - ACWA 2016 Fall Exhibition November 29, 2016 to December 2, 2016- Anaheim Marriott
13. **DIRECTOR REPORTS ON MEETINGS ATTENDED, COMMENTS/FUTURE AGENDA ITEMS**
14. **CLOSED SESSION**

CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION: At this time, the Board will go into closed session pursuant to paragraphs 2 and 4 of subdivision (d) of Government Code Section 54956.9 to confer with legal counsel on a matter of potential litigation (one matter).
15. **UPDATE ON WELL 14 PROJECT**

RECOMMENDATION: That the Board authorize the General Manager to negotiate and enter into a potential change order or such other form of agreement in an amount that the General Manager and District Engineer deem reasonable to complete the Well 14 Rehabilitation Project and, in the event such negotiations should not produce a result that is acceptable to the General Manager and District Engineer, to terminate the original contract and to solicit bids from other contractors to complete the rehabilitation project.
16. **ADJOURNMENT**

Page 23

INFORMATION

The public is invited to comment on any item on the agenda during discussion of that item.

Any person with a disability who requires accommodation in order to participate in this meeting should telephone Joshua Basin Water District at (760) 366-8438, at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the District's office located at 61750 Chollita Road, Joshua Tree, California 92252 during normal business hours.

JOSHUA BASIN WATER DISTRICT
Minutes of the
REGULAR MEETING OF THE BOARD OF DIRECTORS

October 5, 2016

1. **CALL TO ORDER:** 6:30 PM

2. **PLEDGE OF ALLEGIANCE**

3. **DETERMINATION OF QUORUM:**

Victoria Fuller	Present
Bob Johnson	Present
Mickey Luckman	Present
Mike Reynolds	Present
Rebecca Unger	Present

STAFF PRESENT:

Curt Sauer, General Manager
Susan Greer, Assistant General Manager/Controller
Keith Faul, GIS Coordinator
Seth Zielke, Director, Water Resources and Operations
Beverly Waszak, Executive Assistant

CONSULTANTS PRESENT:

Kathleen Radnich, Public Outreach Consultant
Gil Granito, District Counsel, Redwine & Sherrill

GUESTS

7

4. **APPROVAL OF AGENDA – MSC/ Luckman/Reynolds 5/0 to approve the Agenda.**

Fuller	Aye
Luckman	Aye
Johnson	Aye
Reynolds	Aye
Unger	Aye

5. **PUBLIC COMMENT**

Al Marquez, Joshua Tree informed the BoD that he is a write-in candidate for the Joshua Tree Water District Board of Directors. He complimented GM Sauer on the decision to terminate the contract with the lobbying firm of Capri and Clay. The lobbying efforts from 2009-2015 resulted in the District paying \$260K to the lobbying firm and not receiving any grant funds. Also, the President and Vice President traveled to Washington D.C. to also lobby for these grant funds. Not only spending \$260K on the lobbying firm but also spending \$20,000 for them to go to Washington, DC. Supposedly the GM and the BoD went over there for other things. The grant funds that the District received for the Water Recharge Project and other projects were received from the Mojave Water Agency. If they would have spent their time working with the Mojave Water Agency more often than they had been they probably would have got more funds.

PUBLIC COMMENT CLOSED

6. **CONSENT CALENDAR:**

Items on the Consent Calendar are considered routine in nature and will be adopted in total by one action of the Board of Directors unless any Board Member or any individual or organization interested in one or more consent calendar items wishes to be heard.

A. Approve Draft Minutes of the September 7, 2016 Regular Meeting of the Board of Directors.

MSC/ Luckman/Reynolds 5/0 to approve the September 7, 2016 Minutes of the Board of Directors. With the change that the Pipeline Commission will meet on October 12th, 2016 at 2:00 p.m. and not October 11th, 2016 at 2:00 p.m. as originally stated.

Fuller Aye
Luckman Aye
Johnson Aye
Reynolds Aye
Unger Aye

7. RESOLUTION NO. 16-966 AMENDING ARTICLE 1.23 OF THE DISTRICT’S RULES AND REGULATIONS AS IT PERTAINS TO EXCESSIVE WATER USE AND THE WATER ACCOUNT ASSISTANCE PROGRAM. Recommend that the Board approve Resolution No. 16-966

GM Sauer stated that at the September 7, 2016 BoD meeting the BoD directed the GM to bring a Resolution to the BoD, changing the name of the Water Account Assistance Program to the Customer Account Assistance Program, and making simplifications to the manner in which assistance to customers would be performed for excessive water bills due to unknown or accidental origin.

A brief question and answer period followed between the BoD, GM Sauer and AGM Greer.

PUBLIC COMMENT

Richard Fountain, Joshua Tree suggested to the BoD that instead of dollar figure a consumption figure may work better.

PUBLIC COMMENT CLOSED

Director Reynolds made a motion to table, no second.

MSC/Luckman/Unger 4/1 to adopt Resolution No. 16-966 with the following change.

Fuller Aye
Luckman Aye
Johnson Aye
Reynolds No
Unger Aye

9. STANDING COMMITTEE REPORTS

- A. FINANCE COMMITTEE** – President Fuller and Director Johnson. Next meeting is scheduled for October 31, 2016 at 9:00 a.m.
- B. WATER RESOURCES AND OPERATIONS COMMITTEE** – Vice President Luckman and Director Johnson. Next meeting is scheduled for October 31, 2016 at 10:00 a.m.
- C. LEGISLATIVE AND PUBLIC INFORMATION COMMITTEE** – Vice President Luckman and Director Unger. Kathleen Radnich gave a brief report.

10. DISTRICT GENERAL COUNCIL REPORT – Gil Granito

The District’s General Counsel, Gil Granito reported that on August 25, 2016, Sacramento Superior Court Judge Christopher Krueger had issued a tentative ruling in a matter (California Manufacturers and Technology Association and the Solano County Taxpayers Association (“the Petitioners) vs. State Water Resources Control Board (“the Respondent”) – Case No. 34-2014-80001850) in which, Petitioners are challenging the Department of Public Health’s maximum containment level (MCL) for hexavalent chromium (Chromium 6) in drinking water. The Petitioners claim that the MCL is too low, and that compliance will be “massively expensive”. Petitioners claim that the Department failed to comply with the substantive and procedural requirement imposed by the Safe Drinking Water Act and the Administrative Procedures Act when it set the MCL at 10 parts per billion. The Petitioners

seek a writ of mandate ordering the Department to withdraw the current MCL and to set a new MCL. Mr. Granito stated that the tentative ruling is to grant the petition, in part, and to remand the matter to the Department to consider the MCL's economic feasibility. Following argument on the court's tentative ruling, the court took the matter under submission and has yet to issue a final ruling.

11. **GENERAL MANAGER REPORT**

GM Sauer gave a brief report on conservation percentages and questions from the public on the Chromium VI letter was mailed with October's billing.

12. **FUTURE DIRECTOR MEETINGS AND TRAINING OPPORTUNITIES**

Director Unger attended the Mojave Water Agency Board of Directors meeting and gave a brief report on the meeting. Director Unger invited everyone to a Candidate's Forum for all of the Water District's Candidates, including Al Marquez (write in) who are on the ballot on October 20, 2016 from 6:30-8:00 pm at the Joshua Tree Chamber of Commerce Office on Haley Road next to Z107 and everyone is invited.

Director Johnson encouraged the public to attend the Finance Committee and the Water Resources and Operations Committee meetings on October 31, 2016.

Director Reynolds- No report.

Vice President Luckman attended the Mojave Planning, Resources and Technology Committee meeting on September 12, 2016 and also the Mojave Water Agency Board of Directors Meeting on September 22, 2016.

President Fuller attended the USGS and reiterated the support of Kirby Brill. She also attended the Communications Committee meeting and the Emergency Management Seminar. She praised Kathleen Radnich for a great job on the EMS class.

16. **ADJOURNMENT**

MSC Reynolds/Luckman, 5/0 to adjourn the Regular Meeting of the Board of Directors of October 5, 2016 at 7:34 p.m.

Fuller	Aye
Luckman	Aye
Johnson	Aye
Reynolds	Aye
Unger	Aye

Respectfully submitted:

Curt Sauer, GM and Board Secretary

JOSHUA BASIN WATER DISTRICT STAFF REPORT

Meeting: Board of Directors

October 19,2016

Report to: President and Members of the Board

Prepared by: Curt Sauer

TOPIC: Just what does a Lobbyist Cost?

RECOMMENDATION: Receive for information only

ANALYSIS: At our last Board meeting, a member of the public claimed that the Water District had paid over \$260,000 to a lobbying firm, between 2009 and 2015, and had received no grant money from that firm. It was also alleged that the monies only came from the Mojave Water Agency and maybe the Board should have spent more time working with MWA.

Let's take a look at the facts.

What Does a Lobbyist Do: (Power Point Presentation)

1. Researching, Monitoring, Hearings, Working with Coalitions, Educating
2. WHY retain a lobbying firm?
3. WHAT were the actual results?

Between 2009 and 2015 the District spent \$206,000 for lobbying services. Either directly or indirectly, these services contributed to over \$8,000,000 in FREE money. And I would remind the Board and the general public, that it was not just the lobbying firm that did the work. They opened many doors. However, it was District staff which prepared the presentations and gathered the required information that led to these grants being received.

The District needed to fund a \$9 million project, and successfully obtained \$8 million in grants.

Now, we face another daunting task, Chromium 6. Perhaps at a cost as high as \$17 million. We will need to expand our lobbying and grant writing capabilities, as well as maintain our coalition of partners including MWA, EPA, USDA, Bureau of Reclamation, DWR, SWRCB, and other agencies and organizations in order to be successful.

FISCAL IMPACT:

RECHARGE PROJECT GRANT FUNDING AND LOBBYING EFFORTS

WHAT DOES A LOBBYIST DO?

- **Researching** – legislation or regulatory proposals
- **Monitoring** – staying informed of and effectively reporting on developments and governmental issues
- **Attending hearings** –
- **Working with Coalitions** – developing and coordinating with grassroots efforts
- **Educating** – informing officials and the public

In short, a good lobbying firm will be your connection to government and look out for your interests. ¹

¹ Per CanslerConsulting.com

DISTRICT LOBBYIST – CARPI & CLAY

As the District evaluated funding alternatives for our recharge project and why other agencies received grants and we didn't, an overlying fact came to light –

The other agencies had lobbyists.

District began work with Carpi & Clay Lobbyist in June 2009

Paid \$206,583 over six-year period

Terminated May 2015

GRANTS RECEIVED FOR RECHARGE PROJECT

Either directly or indirectly as a result of Carpi & Clay lobbying, the District received the following grants for the Recharge Project:

Agency	Amount
Environmental Protection Agency	\$291,000
Mojave Water Agency	1,000,000
Department of Water Resources	3,000,000
California Department of Public Health	3,210,000
ID M Reserve Refund	598,922
Total	\$8,099,922

RECHARGE PROJECT SUMMARY

Total Project Costs - \$9,570,750

Probable costs reported as \$9,410,816 on 8/20/14

Total Grant Funding - \$8,099,922

Project funded 85% with grants


Cost of lobbyist as a percentage of grants received – 3%

**JOSHUA BASIN WATER DISTRICT
STAFF REPORT**

Meeting: Board of Directors

October 19, 2016

Report to: President and Members of the Board

Prepared by: Curt Sauer 

TOPIC: Proposal to hire Kennedy Jenks to Provide Grant Services

RECOMMENDATION: That the Board authorize the General Manager to enter into a contract with Kennedy Jenks to provide grant services, at a cost not to exceed \$60,000

ANALYSIS: Several issues have created the need to find additional funding for District priorities. These include funding for the construction of Chromium 6 treatment facilities, funding for a Sustainable Groundwater Management Plan and or the creation of a Sustainable Groundwater Management Agency, pipeline replacement, leak detection and replacement of pipeline, and replacement of 4500 meters that have reached their expected end of use life expectancy.

Kennedy Jenks Consultants has worked for the District in the past and are well known for their success with grant applications. They are used by Mojave Water Agency and 29 Palms Water District. Meredith Clements, who wrote our 2015 Urban Water Management Plan has experience in the federal arena, working with EPA, USDA, and Bureau of Reclamation. Both Meredith and Lauren Everett have experience working with grant programs administered by Department of Water Resources, State Water Resource Control Board, and other agencies.

This proposal (attached) includes pursuing funding with Bureau of Reclamation Title XVI, DWR funding for Sustainable Groundwater Management, Proposition 81, Safe Drinking Water Bond Law Funding for meter replacement and possibly mainline replacement funds. Additionally, this company's exposure in the water industry will possibly locate additional grant opportunities which are a good fit for other District Projects.

FISCAL IMPACT: Up to \$60,000, with the probable result being millions of dollars in grants / low interest loans over the next three years.

Kennedy/Jenks Consultants

Engineers & Scientists

2775 North Ventura Road, Suite 100
Oxnard, California 93036
805-973-5700
FAX: 805-973-1440

6 October 2016

Mr. Curt Sauer
General Manager
Joshua Basin Water District
61750 Chollita Road
P.O. Box 675
Joshua Tree, CA 92252

Subject: Proposal for Providing Grant Services for the Joshua Basin Water District

Dear Mr. Sauer:

Based on your telephone discussion September 21, 2016 with Lauren Everett, we are pleased to submit this proposal for providing the following grant services to the Joshua Basin Water District (District, JBWD).

Scope of Services

Task 1 – Bureau of Reclamation Title XVI Feasibility Study

The District has interest in seeking federal funding for the construction of the hexavalent chromium remediation project through the Title XVI program administered by the United States Bureau of Reclamation (USBR). In order to be eligible to apply for funding through the Title XVI program, the USBR requires a congressional authorization. Mojave Water Agency (MWA) has a 2008 Title XVI authorization that can be extended to the District for funding of its hexavalent chromium remediation project. District discussions with USBR and MWA have indicated that USBR has Title XVI funds available through the MWA authorization and that hexavalent chromium remediation would be an eligible project.

Title XVI funding requires the project sponsor, the District, to submit to USBR a Feasibility Study. The Feasibility Study will be developed in accordance with the USBR Title XVI Water Reclamation and Reuse Program Feasibility Study Review Process (WTR 11-01). In 2011, the District submitted a Feasibility Study for its Water Recharge Facility Project (Dudek, 2011) which was approved by USBR. Much of the information provided in that report can be updated for the proposed Feasibility Study.

Further, the District is working with Engineering firm Dudek to develop the alternatives analysis, project engineering report, and cost analysis for the project. The firm ~~BEST~~ ^{BEST} Technologies Inc., will update the District's rate study in 2017. Information from those work efforts will also help to inform the USBR Feasibility Study.

BARTLE WELLS ASSO.

Mr. Curt Sauer
General Manager
Joshua Basin Water District
06 October 2016
Page 2

Accordingly, Kennedy/Jenks will draw upon the information contained in the 2011 Feasibility Study for water recharge, the engineering report, alternatives analysis, and rate study, to prepare the Feasibility Study for hexavalent chromium remediation.

Per WTR 11-01 the Feasibility Report will include the following sections:

- Introductory Information
- Statement of Problems and Needs
- Water Reclamation and Reuse Opportunities
- Description of Alternatives
- Economic Analysis
- Selection of the Proposed Title XVI Project
- Environmental Consideration and Potential Effects
- Legal and Institutional Requirements
- Financial Capability of Sponsor
- Research Needs

Subtask 1.1 – Prepare Draft and Final Title XVI Feasibility Study

Kennedy/Jenks will prepare a draft Feasibility Study in electronic form for District staff review and incorporate comments to prepare the final Feasibility Study. In addition to a final electronic copy, three hard copies of the final Feasibility Study will be prepared, 1 original and 1 copy for submittal to USBR and 1 copy for Districts' files.

Assumptions:

This task assumes that CEQA/NEPA document will be developed by a local consultant hired independently by the District.

It is assumed that the Engineering Report and Alternatives Analysis for hexavalent chromium remediation as well as the 2017 Rate Study will be provided to Kennedy/Jenks.

This task assumes a budget of \$18,300.

Task 2 – Grant Program Identification and Monitoring

Under this Task, Kennedy/Jenks will monitor local, state, and federal grant and loan programs such as those administered by the California Department of Water Resources (DWR); California State Water Resources Control Board (SWRCB); U.S. Bureau of Reclamation; and U.S. Environmental Protection Agency to determine which, if any, are a good fit for the District's projects. This task also includes evaluating whether the District's projects are eligible for the grant funding opportunities. Kennedy/Jenks will provide the District monthly email updates on potential grant programs that are a "good fit" with the potential projects and list the requirements that may be applicable to the District.

Mr. Curt Sauer
General Manager
Joshua Basin Water District
06 October 2016
Page 3

Assumptions:

This task assumes an annual budget of \$8,000 per year, for one year.

Task 3 – Sustainable Groundwater Management Act Funding

The DWR oversees the Proposition 1 Sustainable Groundwater Management Act (SGMA) funding program wherein it makes funding available to assist with the development of SGMA required Groundwater Sustainability Agencies (GSA) and Groundwater Sustainability Plans (GSP) for those regions that are determined to be a medium or high priority basin by DWR.

Within the District's service area is the Warren Groundwater Basin which overlies the majority of the Joshua Tree subbasin. Warren is listed as a medium priority basin however it is adjudicated and therefore does not need to comply with the provisions of SGMA. However, there is a small portion of the Joshua Tree subbasin, on the eastern boundary of Warren Basin, that is outside of the adjudicated area. If this is not remedied by DWR, this area may need to be managed in accordance with SGMA by the Mojave Water Agency, the County of San Bernardino, and the District. A GSA would need to be formed by June 30, 2017 and a GSP by 2022 depending on priority. Should this be required, funding is available from DWR to assist with GSP development; \$86M available with \$10M for severe disadvantaged communities (DACs).

As the solicitation for this funding opportunity is not yet released, and the communication with DWR on the issue is still occurring, it is too soon to know if an application will be required.

For budgeting purposes, based on previous applications with DWR, a budget of \$15,000 has been assumed to prepare an application for SGMA funding.

Assumptions:

Task 3 assumes the SGMA application may be prepared however additional budget may be required once the individual funding solicitation for this opportunity is reviewed.

Task 4 – Proposition 81 Safe Drinking Water Bond Law Funding

The District is seeking funding for an infrastructure drinking water mainline replacement. The mainline is leaking (12-22% water loss and no known source of the leaks), and a large portion of the mainline does not meet fire flow standards. Additionally, approximately 4,500 meters within the District's service area need to be replaced.

DWR administers funds for infrastructure upgrades through the Proposition 81 Safe Drinking Water Bond Law. Kennedy/Jenks will assist the District in submitting an application to DWR Proposition 81, California Safe Drinking Water Bond Law, Grant Program. This Grant Program accepts applications on an ongoing basis and may provide funding of up to \$400,000, depending on final determination.

Mr. Curt Sauer
General Manager
Joshua Basin Water District
06 October 2016
Page 4

The scope of the application includes a technical report that details the project description, description of service area, analysis of alternatives/project cost effectiveness, project benefits, project schedule, cost breakdown, and environmental information.

Kennedy/Jenks will work together with District staff to gather appropriate data, including information on the project budget. Information on costs to date, cost quotes, and sources of funds will be provided by the District. If inadequate information is available about any portion of the grant request (such as for the meters), it will not be included in the application.

This task assumes a budget of \$9,500.

Task 5 – Project Management and Teleconferences

Kennedy/Jenks will provide project management and communication to obtain District' project specific information during the Title XVI Feasibility Study preparation process, the Proposition 81 funding as well as for the other grant application if it is authorized. Project management functions include coordination of Kennedy/Jenks staff, internal project setup, review of project status reports, preparation of monthly billings, and other project management duties such as quality assurance /quality control review on a technical and editorial basis, and conference calls as needed with District staff.

This task assumes a budget of \$7,100.

Project Deliverables

The following deliverables will be prepared as a result of this effort:

- Task 1 - Draft and Final BOR Title XVI Feasibility Study
- Task 2 – Monthly funding updates
- Task 4 - Proposition 81 Grant Application

Other deliverables relating to the SGMA funding provided in Task 3 will be determined as the funding solicitations are evaluated.

Project Team

This work will be performed by Lauren Everett, who will serve as Project Manager and supported by Catrina Paez; Meredith Clement will provide QA/QC review.

Budget

Compensation will be on a time and materials basis, plus expenses, according to the attached January 1, 2016 Schedule of Charges. We estimate a budget of amount of \$59,300 which will not be exceeded without prior authorization.

Mr. Curt Sauer
 General Manager
 Joshua Basin Water District
 06 October 2016
 Page 5

Task No.	Task Name	Budget
1	Prepare Draft and Final Title XVI Feasibility Study	\$18,300
2	Grant Program Identification and Monitoring	\$8,000
3	Sustainable Groundwater Management Act Funding	\$15,000
4	Proposition 81 Safe Drinking Water Bond Law Funding	\$9,500
5	Project Management and Teleconferences	\$8,500
TOTAL		\$59,300

Schedule

Task No.	Task Name	Schedule
1	Prepare Draft and Final Title XVI Feasibility Study	January 2017
2	Grant Program Identification and Monitoring	Ongoing/Monthly
3	Sustainable Groundwater Management Act Funding	Anticipated Summer 2017
4	Proposition 81 Safe Drinking Water Bond Law Funding	60 days from notice to proceed
5	Project Management and Teleconferences	Ongoing/Monthly

Terms and Conditions

This proposal is based on current projections of staff availability and costs and, therefore, is valid for 90 days following the date of this letter.

To assure a clear understanding of all matters related to our mutual responsibilities, the attached Standard Conditions dated January 1, 2007 are made a part of our agreement. We have found these terms to be appropriate for use with agreements for the provision of engineering and scientific services, and accordingly, should any conflict exist between the attached terms and the form of any purchase order or confirmation issued, the terms of this proposal and the attached Standard Conditions shall prevail in the absence of our express written agreement.

If this proposal meets with your approval, please sign where noted below and return a copy to our office to serve as our authorization.

Mr. Curt Sauer
General Manager
Joshua Basin Water District
06 October 2016
Page 6

Thank you for considering us for this work. We look forward to working with you.

Very truly yours,

KENNEDY/JENKS CONSULTANTS, INC.



Ryan Huston, P.E.
Principal-In-Charge

Enclosures

AUTHORIZATION:

JOSHUA BASIN WATER DISTRICT

By: _____
(Signature)

(Print Name)

Title: _____

Date: _____

Proposal Fee Estimate

Kennedy/Jenks Consultants

CLIENT Name: Joshua Basin Water District
 PROJECT Description: Grant Services
 Proposal/Job Number: _____ Date: #####

21

January 1, 2015 Rates	Eng-Sci-7 (MC)	Eng-Sci-6 (LE)	Eng-Sci-4 (CP)	Eng-Sci-3 (GIS)	Admin. Assist.	Aide	Total	KJ Labor	KJ ODCs	KJ ODCs Markup	Total Labor	Total Subs	Total Expenses	Total Labor + Subs + Expenses
Classification:							Hours	Fees	Fees	10%				Fees
Hourly Rate:	\$235	\$215	\$175	\$160	\$90	\$70								
Grant Assistance														
Task 1 - Bureau of Reclamation Title XVI Feasibility Study	8	36	40	8	2		94	\$18,080	\$200	\$20	\$18,080	\$0	\$220	\$18,300
Task 2 - Grant Program Identification and Monitoring	2	24	12				38	\$7,730	\$245	\$25	\$7,730	\$0	\$270	\$8,000
Task 3 - Sustainable Groundwater Management Act Funding	12	40	16	2			70	\$14,540	\$418	\$42	\$14,540	\$0	\$460	\$15,000
Task 4 - Prop 1 Sate Drinking Water Bond Funding	2	8	40	1			51	\$9,350	\$136	\$14	\$9,350	\$0	\$150	\$9,500
Task 5 - Project Management	8	28			4	2	42	\$8,400	\$91	\$9	\$8,400	\$0	\$100	\$8,500
Phase 1 - Subtotal	32	136	108	11	6	2	295	\$58,100	\$1,090	\$109	\$58,100	\$0	\$1,199	\$59,299
All Phases Total	32	136	108	11	6	2	295	\$58,100	\$1,090	\$109	\$58,100	\$0	\$1,199	\$59,299

Client/Address: Joshua Basin Water District
 61750 Chollita Road
 P.O. Box 675
 Joshua Tree, CA 92252

Contract/Proposal Date: ContractProposalDate

Schedule of Charges

January 1, 2016

PERSONNEL COMPENSATION

Classification	Hourly Rate
CAD-Technician	\$120
Designer-Senior Technician	\$155
Engineer-Scientist-Specialist 1	\$130
Engineer-Scientist-Specialist 2	\$150
Engineer-Scientist-Specialist 3	\$165
Engineer-Scientist-Specialist 4	\$180
Engineer-Scientist-Specialist 5	\$195
Engineer-Scientist-Specialist 6	\$220
Engineer-Scientist-Specialist 7	\$245
Engineer-Scientist-Specialist 8	\$260
Engineer-Scientist-Specialist 9	\$280
Project Administrator	\$115
Administrative Assistant	\$95
Aide.....	\$75

In addition to the above Hourly Rates, a four percent Communications Surcharge will be added to Personnel Compensation for normal and incidental copies, communications and postage.

Direct Expenses

Reimbursement for direct expenses, as listed below, incurred in connection with the work, will be at cost plus ten percent for items such as:

- a. Maps, photographs, 3rd party reproductions, 3rd party printing, equipment rental, and special supplies related to the work.
- b. Consultants, soils engineers, surveyors, contractors, and other outside services.
- c. Rented vehicles, local public transportation and taxis, travel and subsistence.
- d. Project specific telecommunications and delivery charges.
- e. Special fees, insurance, permits, and licenses applicable to the work.
- f. Outside computer processing, computation, and proprietary programs purchased for the work.

Reimbursement for vehicles used in connection with the work will be at the federally approved mileage rates or at a negotiated monthly rate.

Reimbursement for use of computerized drafting systems (CAD), geographical information systems (GIS), and other specialized software and hardware will be at the rate of \$12 per hour.

Rates for professional staff for legal proceedings or as expert witnesses will be at rates one and one-half times the Hourly Rates specified above.

Excise and gross receipts taxes, if any, will be added as a direct expense.

The foregoing Schedule of Charges is incorporated into the agreement for the services provided, effective January 1, 2016 through December 31, 2016. After December 31, 2016, invoices will reflect the Schedule of Charges currently in effect.

Client: Joshua Basin Water District

Contract/Proposal Date: ContractProposalDate

Standard Conditions

January 1, 2007

CLIENT and KENNEDY/JENKS CONSULTANTS, INC. ("CONSULTANT") agree that the following provisions shall be a part of their agreement.

1. **TERMS OF PAYMENT.** CLIENT will be invoiced at the end of the first billing period following commencement of work and at the end of each billing period thereafter. Payment in full of an invoice must be received by CONSULTANT within thirty (30) days of the date of such invoice.
2. **EFFECT OF INVOICE.** The work performed shall be deemed approved and accepted by CLIENT as and when invoiced unless CLIENT objects within fifteen (15) days of invoice date by written notice specifically stating the details in which CLIENT believes such work is incomplete or defective, and the invoice amount(s) in dispute. CLIENT shall pay undisputed amounts as provided for in the preceding paragraph.
3. **INTEREST; SUSPENSION OF WORK.** Failure of CLIENT to make full payment of an invoice so that it is received by CONSULTANT within said thirty (30) days of the date thereof subjects the amount overdue to a delinquent account charge of one percent (1%) of the invoice amount per month, compounded monthly, but not to exceed the maximum rate permitted by law. Failure of CLIENT to submit full payment of an invoice within thirty (30) days of the date thereof subjects this agreement and the work herein contemplated to suspension or termination at CONSULTANT's discretion.
4. **ADVANCE PAYMENT; WITHHOLDING OF WORK PRODUCT.** CONSULTANT reserves the right to require payment in advance for work it estimates will be done during a given billing period. CONSULTANT, without any liability to CLIENT, reserves the right to withhold any services and work products herein contemplated pending payment of CLIENT's outstanding indebtedness or advance payment as required by CONSULTANT. Where work is performed on a reimbursable basis, budget may be increased by amendment to complete the scope of work. CONSULTANT is not obligated to provide services in excess of the authorized budget.
5. **STANDARD OF CARE.** CONSULTANT's services performed under this agreement will be performed in a manner consistent with the care and skill ordinarily exercised by members of the profession practicing under similar conditions at the same time and in the same or similar locality. When the findings and recommendations of CONSULTANT are based on information supplied by CLIENT and others, such findings and recommendations are correct to the best of CONSULTANT's knowledge and belief. No warranty, express or implied, is made or intended by this agreement, or by the foregoing statement of the applicable standard of care, or by providing consulting services or by furnishing oral or written reports of findings made. No entity other than CLIENT or CONSULTANT shall be construed as a beneficiary to this Agreement.
6. **INSURANCE COVERAGE.** CONSULTANT is protected by Worker's Compensation insurance as required by applicable state laws and will maintain employer's liability coverage. During the performance of this agreement CONSULTANT will maintain professional liability insurance with a limit of \$1 million on a claims made, annual aggregate basis, and commercial general liability and automobile liability insurance each with a limit of not less than \$1 million on an occurrence basis.
7. **ALLOCATION OF RISK.** CLIENT and CONSULTANT have discussed the risks associated with this project and the extent to which those risks should be shared by CLIENT and by CONSULTANT, and have agreed:
(a) To the fullest extent permitted by law, CLIENT agrees to limit the liability of CONSULTANT, its officers, employees, and subconsultants to CLIENT, all landowners, contractors, subcontractors, lenders, suppliers, manufacturers, third parties, and their employees such that the total aggregate liability, including all attorneys fees and costs shall not exceed \$50,000.00 or the total fees paid for CONSULTANT's services on this project, whichever is greater. (b) All damages such as loss of use, profits, anticipated profits, and the like losses are consequential damages for which CONSULTANT is not liable. (c) CLIENT shall give written notice to CONSULTANT of any claim of negligent act, error or omission within one (1) year after the completion of the work performed by CONSULTANT. Failure to give notice herein required shall constitute a waiver of said claim by CLIENT.
8. **SERVICES DURING CONSTRUCTION.** Any construction inspection or testing provided by CONSULTANT is for the purpose of determining compliance by contractors with the functional provisions of project documents only. CLIENT agrees that CONSULTANT will have no inspection responsibilities at the jobsite except to the extent specifically provided for in the agreed upon scope of work. CONSULTANT shall not be held in any way to guarantee any contractor's work, nor to assume responsibility for means, methods or appliances used by any contractor nor to assume responsibility for a contractor's compliance with laws and regulations or for contractor's errors, omissions, or defective work. CLIENT agrees that in accordance with generally accepted construction practices, the construction contractor will be required to assume sole and complete responsibility for jobsite conditions during the course of construction of the project, including safety of all persons and property and that this responsibility shall be continuous and not be limited to normal working hours. CLIENT agrees to require in all construction contracts for the project, provisions that CLIENT and CONSULTANT shall be defended and indemnified by the contractor and its subcontractors and named additional insureds on contractor's and subcontractor's insurance. Any statements of estimated construction costs furnished by CONSULTANT are based on professional opinions and judgment, and CONSULTANT will not be responsible for fluctuations in construction costs.
9. **SERVICES BY CLIENT.** CLIENT will provide access to site of work, obtain all permits, provide all legal services in connection with the project, and provide environmental impact reports and energy assessments unless specifically included in the scope of work. CLIENT shall pay the costs of checking and inspection fees, zoning application fees, soils engineering fees, testing fees, surveying fees, and all other fees, permits, bond premiums, and all other charges not specifically covered by the scope of work. CLIENT shall designate to CONSULTANT the location of all subsurface utility lines and other subsurface man-made objects (in this agreement collectively called "buried utilities") within the boundaries of the jobsite. CONSULTANT will conduct at CLIENT's expense such additional research as in CONSULTANT's professional opinion is appropriate to attempt to verify the location of buried utilities at the jobsite, but CLIENT shall remain responsible for the accurate designation of their location and, shall indemnify, defend, and hold CONSULTANT harmless from any claims or loss arising from the failure to accurately locate buried utilities.
10. **COMPLIANCE WITH LAWS.** CLIENT and CONSULTANT shall each use reasonable care in its efforts to comply with laws, codes, ordinances and regulations in force at the time of the performance by each under this agreement, insofar as such laws are applicable to a party's performance. Unless otherwise provided for in the scope of work of this agreement or by law, the responsibility for making any disclosures or reports to any third party, for notifying all governmental authorities of the discovery of hazardous materials on the jobsite, and for taking corrective, remedial, or mitigative action shall be solely that of CLIENT. It is CONSULTANT's belief that the work is not subject to California Prevailing Wage Law, unless expressly identified as such within the scope of work. Should it be alleged or determined that some or all of the work is subject to California's Prevailing Wage Law, then CLIENT shall reimburse CONSULTANT for the additional costs associated with CONSULTANT complying with those laws.

Standard Conditions (Page 2)

January 1, 2007

11. **USE OF DOCUMENTS.** Drawings, reports, writings and other original documents (documents) furnished by CONSULTANT are for the exclusive use of CLIENT and CONSULTANT retains all intellectual property rights including copyrights. Documents are furnished to CLIENT upon CLIENT's specific agreement that it assumes all liability resulting from the further distribution of such documents, or any portion of them, and that CLIENT will indemnify CONSULTANT and hold it harmless against any claims associated with the unauthorized use of such documents. In no event will CLIENT or any person acting on its behalf edit, abridge, or modify any document prepared by CONSULTANT without CONSULTANT's express written consent.
12. **ELECTRONIC OR MAGNETIC DATA.** Documents provided by CONSULTANT in electronic or magnetic formats are provided under the following conditions unless detailed otherwise in the scope of work or by a written amendment. Documents are provided in CONSULTANT's standard software formats. CLIENT recognizes that electronic or magnetic data and its transmission can be easily damaged, may not be compatible with CLIENT'S software formats and systems, may develop inaccuracies during conversion or use, and may contain viruses or other destructive programs, and that software and hardware operating systems may become obsolete. As a condition of delivery of electronic or magnetic data, CLIENT agrees to defend indemnify and hold CONSULTANT, its subconsultants, agents and employees harmless from and against all claims, loss, damages, expense and liability arising from or connected with its use, reuse, misuse, modification or misinterpretation. In no event shall CONSULTANT be liable for any loss of use, profit or any other damage.
13. **TERMINATION.** This agreement may be terminated by either party by written notice should the other party fail substantially to perform its obligations under this agreement and continue such default after the expiration of a seven (7) day notice period. Either party may terminate this agreement without necessity of cause upon the expiration of a thirty (30) day notice period. If this agreement is terminated by CLIENT in the absence of default by CONSULTANT, CONSULTANT shall be paid for services performed and costs incurred by it prior to its receipt of notice of termination from CLIENT, including reimbursement for direct expenses due, plus an additional amount, not to exceed ten percent (10%) of charges incurred to the termination notice date, to cover services to orderly close the work and prepare project files and documentation, plus any additional direct expenses incurred by CONSULTANT including but not limited to cancellation fees or charges. CONSULTANT will use reasonable efforts to minimize such additional charges.
14. **PRECEDENCE OF CONDITIONS.** Should any conflict exist between the terms herein and the terms of any purchase order or confirmation issued by CLIENT, the terms of these Standard Conditions shall prevail in the absence of CONSULTANT's express written agreement to the contrary.
15. **ASSIGNMENT: SUBCONTRACTING.** Neither CLIENT nor CONSULTANT shall assign any of its rights including a right to sue, or delegate its duties under this agreement without the written consent of the other.
16. **FORCE MAJEURE.** Any delay or default in the performance of any obligation of CONSULTANT under this agreement resulting from any cause(s) beyond CONSULTANT's reasonable control shall not be deemed a breach of this agreement. The occurrence of any such event shall suspend the obligations of CONSULTANT as long as performance is delayed or prevented thereby, and the fees due hereunder shall be equitably adjusted.
17. **MERGER: WAIVER: SURVIVAL.** This agreement constitutes the entire and integrated agreement between the parties hereto and supersedes all prior negotiations, representations and/or agreements, written or oral. One or more waiver of any term, condition or other provision of this agreement by either party shall not be construed as a waiver of a subsequent breach of the same or any other provision. Any provision hereof which is legally deemed void or unenforceable shall not void this entire agreement and all other provisions shall survive and be enforceable.
18. **APPLICABLE LAW.** This agreement shall be interpreted and enforced according to the laws of the State of California. In the case of invalidity or unenforceability of any provision or portion thereof, the provision shall be rewritten and enforced to the maximum extent permitted by law to accomplish as near as possible the intent of the original provision. Nothing herein shall be construed to provide for indemnification against damages arising from a party's gross negligence or willful misconduct.

**JOSHUA BASIN WATER DISTRICT
STAFF REPORT**

Meeting: Board of Directors

October 19, 2016

Report to: President and Members of the Board

Prepared by: Curt Sauer

TOPIC: Well 14 Rehabilitation Project Update

BACKGROUND: There is a current contract in place, in the amount of \$172,730 (with a 10 percent contingency of \$17,273) for the rehabilitation of Well 14. The contractor has not successfully met the terms of the contract. Negotiations with the Contractor are ongoing.

In order to complete such negotiations, it may be necessary to agree to a change order or such other form of agreement that is deemed reasonable by the General Manager and District Engineer to reflect the modified terms, conditions, and amount of the original contract.

RECOMMENDATION: That the Board authorize the General Manager to negotiate and enter into a potential change order or such other form of agreement in an amount that the General Manager and District Engineer deem reasonable to complete the Well 14 Rehabilitation Project and, in the event such negotiations should not produce a result that is acceptable to the General Manager and District Engineer, to terminate the original contract and to solicit bids from other contractors to complete the rehabilitation project.