



## Agenda

### Carmichael Water District/Sacramento Suburban Water District 2x2 Ad Hoc Committee Meeting

3701 Marconi Avenue, Suite 100  
Sacramento, CA 95821

Thursday, November 18, 2021  
3:00 p.m.

**This meeting will be conducted both in-person in the Sacramento Suburban Water District's Boardroom at the address above, and by videoconference and teleconference using the information provided below. The public is invited to listen, observe, and provide comments during the meeting by any method provided. The Chairperson will call for public comment on each agenda item at the appropriate time and all votes will be taken by roll call. If a member of the public chooses to participate in this public meeting via videoconference and/or teleconference, please see the instructions below.**

**For members of the public interested in viewing and having the ability to comment at the public meeting via Zoom, an internet enabled computer equipped with a microphone and speaker or a mobile device with a data plan is required. Use of a webcam is optional. You also may call in to the meeting using teleconference without video. Please use the following login information for videoconferencing or teleconferencing:**

**Join the meeting from a computer, tablet or smartphone:**

<https://us02web.zoom.us/j/82875617471?pwd=M2NQNi1pLdnFXdlI5a2lEZlI4Wkh2dz09>

**Meeting ID:** 828 7561 7471

**Password:** 711834

**You can also dial in using your phone:** 1 (669) 900-6833

New to Zoom? Get the app now and be ready when your first meeting starts: <https://zoom.us/>  
Zoom uses encryption of data during Zoom meetings. The two Agencies use a secure password to restrict access to scheduled meetings. The meeting host has control of content sharing, recording, and chat.

**Please mute your line.**

Where appropriate or deemed necessary, the Committee may take action on any item listed on the agenda, including items listed as information items. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Committee less than 72 hours before the meeting are available for public inspection at each Agency's Administrative Offices.

The public may address the Committee concerning an agenda item either before or during the Committee's consideration of that agenda item. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to either one of the General Managers. The Chairperson will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact Sacramento Suburban Water District Human Resources at 916.679.3972. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

### **Call to Order**

### **Roll Call**

### **Announcements**

### **Public Comment**

This is an opportunity for the public to comment on non-agenda items within the subject matter jurisdiction of the Committee. Comments are limited to 3 minutes.

### **Consent Items**

The Committee will be asked to approve all Consent Items at one time without discussion. Consent Items are expected to be routine and non-controversial. If any Committee member, staff, or interested person requests that an item be removed from the Consent Items, it will be considered with the Items for Discussion and/or Action.

1. Minutes of the September 29, 2021, CWD/SSWD 2x2 Ad Hoc Committee Meeting  
*Recommendation: Approve subject minutes.*

### **Items for Discussion and/or Action**

2. Combination Study Business Case Analysis – Request for Proposal  
*Recommendation: Receive and provide comments on Draft Request for Proposal for a Business Case Analysis for a potential combination between Carmichael Water District and Sacramento Suburban Water District. Direct staff to place the item on the agenda of the December 2021 regular Board meetings of the respective agencies requesting approval to proceed with distributing the Request for Proposals.*

**Adjournment**

\* \* \* \* \*

I certify that the foregoing agenda for the November 18, 2021, meeting of the Carmichael Water District/Sacramento Suburban Water District 2x2 Ad Hoc Committee was posted by November 16, 2021 in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and at the Carmichael Water District office, 7837 Fair Oaks Boulevard, Carmichael, CA 95608, and was made available to the public during normal business hours.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District

## Agenda Item: 1

**Date:** November 18, 2021

**Subject:** Minutes of the September 29, 2021, Carmichael Water District/Sacramento Suburban Water District 2x2 Ad Hoc Committee Meeting

**Staff Contact:** Dan York, General Manager

**Recommended Board Action:**

Approve the draft minutes of the September 29, 2021, Carmichael Water District/Sacramento Suburban Water District 2x2 Ad Hoc Committee Meeting.

**Attachment:**

1 – Draft Minutes



## Minutes

### **Carmichael Water District/Sacramento Suburban Water District 2x2 Ad Hoc Committee Meeting**

Wednesday, September 29, 2021

#### **Location:**

3701 Marconi Avenue, Suite 100, Sacramento, CA 95821, and Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting Id #837 8124 8848

#### **Call to Order – Videoconference/Audioconference Meeting**

Chair Nelson called the meeting to order at 3:31 p.m.

#### **Roll Call**

SSWD Directors

Present: Craig Locke and Dave Jones.

SSWD Directors

Absent: None.

CWD Directors

Present: Mark Emmerson (arrived at 3:37) and Jeff Nelson.

CWD Directors

Absent: None.

SSWD Staff Present: General Manager Dan York, Assistant General Manager Matt Underwood, Heather Hernandez-Fort, Todd Artrip, Susan Schinnerer, and Dana Dean.

CWD Staff Present: General Manager Cathy Lee.

Public Present: William Eubanks, Greg Zlotnick, Ted Costa, Kevin Thomas, Tony Barella, and Bob Wichert.

#### **Announcements**

Chair Nelson expressed that Director Emmerson would be a few minutes late to the meeting.

#### **Public Comment**

None.

## Consent Items

1. **Minutes of the August 24, 2021, CWD/SSWD 2x2 Ad Hoc Committee Meeting**  
Director Locke moved to approve the Consent Item; Director Jones seconded. The motion passed by unanimous vote.

AYES:	Locke, Jones, and Nelson.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:	Emmerson.		

## Items for Discussion and/or Action

2. **Collaboration Opportunities**  
Sacramento Suburban Water District (SSWD) General Manager Dan York (GM York) presented the staff report.

Director Emmerson joined the meeting at 3:37 p.m.

Carmichael Water District General Manager Cathy Lee (GM Lee) provided additional information to the staff report.

Director Locke inquired on cost impacts and requested to meet offline.

Director Emmerson expressed he was in favor of the collaboration opportunities.

Chair Nelson expressed his appreciation for staff's efforts.

3. **Joint Board Meeting Presentation Material**  
GM York and GM Lee both presented the staff report and highlighted some of the PowerPoint presentation slides.

The Committee agreed to use the word combination in place of consolidation, per legal counsel's advice.

Director Locke suggested staff provide some additional discussion on some topics such as rates, at the Joint Board Meeting. He added to try to keep it easy for all to understand.

Director Emmerson suggested to look at the average lot size in the region.

Director Locke additionally requested staff eventually look at the system state of affairs for each District.

GM York expressed staff could show a side by side, and acknowledged it was a great suggestion.

Director Emmerson added to compare the financial capacity and capacity of the water systems of each District.

GM York expressed that LAFCo has conducted a similar survey on this in the past, as well as Department of Drinking Water's Annual Sanitary Survey.

The Committee agreed for staff to present the presentation to the full Boards at the Joint Board Meeting.

4. **Next Meeting Date and Time**

Chair Nelson recommended making a decision on the next meeting of the CWD/SSWD 2x2 Committee after the October 6, 2021, Joint Board Meeting.

The Committee agreed.

5. **Public Comment**

None.

**Adjournment**

Chair Nelson adjourned the meeting at 4:08 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District

## Agenda Item: 2

**Date:** November 18, 2021

**Subject:** Combination Study Business Case Analysis – Request for Proposal

**Staff Contact:** Dan York, SSWD General Manager  
Cathy Lee, CWD General Manager

**Recommended Committee Action:**

Receive and provide comments on Draft Request for Proposal for a Combination Study and Business Case Analysis between Carmichael Water District and Sacramento Suburban Water District. Direct staff to place the item on the agenda of the December 2021 regular Board meetings of the respective agencies requesting approval to proceed with distributing the Request for Proposals.

**Discussion:**

At the October 6, 2021, Joint Board meeting between Carmichael Water District (CWD) and Sacramento Suburban Water District (SSWD), staff was directed to develop a draft Request for Proposal (RFP) (see Attachment 1) for the purpose of conducting a business case analysis of a potential combination between CWD and SSWD. In addition to the RFP, staff was directed to provide an estimated budget to conduct the subject study. Staff is estimating the budget for the study is not to exceed \$200,000. Therefore, staff is requesting each agency to approve \$100,000.

If the respective Boards of CWD and SSWD approve of the RFP and a consultant is selected, a Memorandum of Agreement (MOA) will be entered between CWD and SSWD. SSWD will be responsible for administering the contract for services of the consultant in accordance with SSWD procurement and contracting requirements and procedures. SSWD shall be reimbursed by CWD for their respective percentage share of any and all money ultimately paid to the consultant by SSWD.



## **Attachment 1**

### **DRAFT**

### **REQUEST FOR PROPOSAL**

### **CONSULTANT SERVICES FOR A BUSINESS CASE ANALYSIS FOR A POTENTIAL COMBINATION BETWEEN CARMICHAEL WATER DISTRICT AND SACRAMENTO SUBURBAN WATER DISTRICT**

#### **A. INTRODUCTION:**

Carmichael Water District (CWD) and Sacramento Suburban Water District (SSWD) is issuing this Request for Proposals (RFP) to conduct an analysis on a potential combination of CWD and SSWD.

#### **Study Objective**

CWD and SSWD desire to become more efficient in working together to minimize cost to their customers and optimize the use of their water supplies, personnel, equipment, infrastructure and other resources, as well as improve their ability to influence state and federal policies. As part of the Study for the potential combination activities, the selected consultant should 1) evaluate a governance structure and board advisory committees to ensure customer equality and equity for both districts and achieve an overall cost benefit to the Agencies' customers, and 2) perform detailed financial analyses of each agency's current water rates, fees, debts, retirement funding obligations, costs, and reserves, and future equities based on current capital improvement projects (CIP) plans. The Scope of Work is a threshold study of the range of alternatives, including no change to existing operations, contracts between agencies, programs and services, as well as integration or combination of the two Agencies into a single organization.

#### **Background**

In 2019, CWD and SSWD were part of a regional effort to identify opportunities to improve collaboration and potentially merge operations into one consolidated district.

In June 2021, the regional effort was finalized. CWD and SSWD chose to continue discussions on both collaboration and consolidation. The respective Boards implemented a 2X2 Ad Hoc Committee to develop goals and discussion points and report back to the Boards as appropriate.

On October 6, 2021, a joint Board meeting was held between CWD and SSWD. Direction was given to the 2x2 Ad Hoc Committee and General Managers to develop a RFP for the purpose of analyzing the pros and cons of a potential combination of the two agencies.

## Structure and Meetings

As noted, SSWD will be responsible for administration of the project, and will be the primary contact for the consultant. The project will be overseen by the General Managers of CWD and SSWD.

The consultant will also need to plan to present the results to the 2x2 Ad Hoc Committee and present the final results of the Study to a facilitated joint meeting of the Boards of Directors of CWD and SSWD.

## **B. REQUESTED SCOPE OF WORK:**

### 1. SERVICES DESIRED:

The following is a requested scope of work to be utilized in submitting a response.

*Scope of Work Activity 1: Describe the current environment*

#### **(a) Describe the utilities, background**

Document the operational responsibilities of the various Agencies related to water services. Document the current organizational structure, service standards, policies, procedures and organizational staffing for each agency. Provide an overview of how customers receive their water supplies in the areas served by the Agencies.

Identify program/service operating goals, operating costs, water supply costs, performance data and key projects that are either planned or in execution.

Inventory Agency Capital Improvement Programs and Advanced Planning Efforts for Infrastructure and Significant Asset Management Programs, including expected future costs.

#### **(b) Describe existing financial status**

Prepare a description of the current financial environment of the Agencies, including debt capacity and obligations, credit ratings, rate structure, financial policies, asset base, reserve levels, number of customers, annual revenues, pension liabilities, operating expenses, water rates and connection fees, and other relevant factors.

*Scope of Work Activity 2: Conduct benchmarking*

#### **(a) Conduct peer benchmarking**

Conduct a peer benchmarking study to compare key indicators for the Agencies, such as staffing, functions provided, organization structure, and collaborative efforts. Consult with the Agencies in establishing criteria for choosing the peer agencies.

**(b) Identify performance measures to evaluate collaboration/integration alternatives/options**

Ascertain evaluative benchmarks for the peer agencies and compare with the Agencies. At a minimum, benchmarks need to cover the following aspects of the projects/programs/organizations being assessed: 1) Legal; 2) Financial; 3) Management/Governance; and 4) Operational. The range of alternatives will include no change to existing operations, contracts between agencies, joint powers agreements, potential integration of selected projects, programs and services, as well as integration or consolidation of two or more of the Agencies into a single organization.

*Scope of Work Activity 3: Identify opportunities and challenges for the future*

**(a) Identify opportunities and challenges for governance structures**

Evaluate and recommend a governance structure, with related implementation phasing steps, for the combined entity including, but not limited to, the number of board of directors and board advisory committees and their roles. Analyze potential governance structure to ensure apportionment and customer equality and equity for both Agencies.

**(b) Identify opportunities and challenges for service integration**

Identify opportunities and challenges for integrating services within the Agencies. Specify which services could be integrated, the associated costs and benefits, and key factors that would need to be addressed. Recognize that there will be a growth in service connections in the future.

**(c) Identify opportunities and challenges for facilities integration**

Identify opportunities and challenges for combining or integrating facilities (i.e., buildings and grounds, but not water treatment and distribution) that would create cost savings to the Agencies and their customers. Describe the potential benefit and the factors that would need to be addressed in integrating such facilities. Recognize that there will be a growth in service connections in the future.

**(d) Identify impacts and challenges for financial obligations and thresholds**

Identify challenges and opportunities for combining agencies including but not limited to water rates, liabilities, reserves, (re)financing options, and other short and long term obligations by each agency's rate payers.

**(e) Identify opportunities and challenges in staffing resources**

Identify opportunities for staff and cost savings. Discuss benefits of a combined agency for staffing flexibilities and resources opportunities. Portions of CWD employees are represented by the American Federation of State, City, and Municipal Employees (AFSCME). Provide detailed discussion with respect to representation.

**(f) Identify outreach stakeholders and community organizations**

Identify current stakeholders of the Agencies and their interests, including but not limited to customers (particularly those in Disadvantaged Communities), developers, employees and other stakeholders.

**(g) Identify other potential opportunities and challenges**

Both agencies are in the Sacramento area and belong to similar regional and statewide organizations. Identify and discuss potential opportunities with respect to advancing the agencies' interests in the region and the state.

**2. MINIMUM QUALIFICATIONS OF CONSULTANT:**

It is expected that the proposer will have experience with public sector projects of similar nature and scope, including the ability (whether directly or through a sub-consultant) to address relevant legal, financial, management/governance and operational issues. The successful proposer will demonstrate experience with a minimum of three municipally-directed projects pertaining specifically to evaluation of utility services.

**3. INSURANCE REQUIREMENTS:**

The firm or individual selected to perform the work will be required to provide with the contract insurance and indemnification in the amount shown in Exhibit B within Attachment A.

**C. THE PROPOSAL:**

**1. FORMAT AND REQUIREMENTS:**

The Proposal shall be 8-1/2" by 11", with the pages numbered sequentially, and double-sided. 1" margins shall be provided on all pages. Proposals shall be in a 12-point font and may be single or double-spaced.

Proposals shall be submitted in electronic format using Microsoft Word and Adobe Acrobat (.pdf).

**2. PROPOSAL CONTENTS:**

The Proposal shall include the following:

- A. Letter of Transmittal. Identify the individual or parties, and provide its (their) address along with the name of a contact person and a telephone number (one page maximum).

- B. Include a general statement of the consultant's approach to conducting a financial and operational review of public utilities (two pages maximum).
- C. Describe the Firm's experience with public sector projects of a similar nature and scope. Emphasis should be placed on projects undertaken within the past three years.
- D. Identify all personnel who will be assigned to work on this project. Include brief summaries of their background and experience, as well as the assigned responsibilities for this project.
- E. A general statement of the consultant's approach to conducting the required Study. This discussion should estimate the total cost for the Study (two pages maximum).
- F. Identify any sub-consultants and include the same information as described in "D".
- G. Provide a budget, broken down by each scope of work activity and subtask.
- H. Provide a timeline for completion of the project. Any assumptions regarding turnaround time for review should be clearly noted.
- I. Provide references for your firm's three most representative projects. Include the following:
  - 1) Name of public agency
  - 2) Name and title of contact person.
  - 3) Telephone number of contact person.
  - 4) Brief description of the project including start and completion dates and your firm's role in the project.
  - 5) The telephone number and contact names of private firms involved in the project.
- J. Provide a summary of all similar past projects involving any Agency. This summary shall include
  - 1) Name of public agency
  - 2) Name and title of contact person.
  - 3) Telephone number of contact person.
  - 4) Brief description of the project including start and completion dates and your firm's role in the project.
  - 5) The telephone number and contact names of private firms involved in the project.
  - 6) To avoid a conflict of interest, if your firm, is/has provided professional services to any of the Agencies please list the name of the agency and services provided.

### 3. PROJECT APPROACH:

Include a brief discussion describing your firm's approach to preparing the Study. Detail your strategy and include your vision for the final deliverable resulting from this Study.

#### **D. THE PROCESS:**

##### Mandatory Proposers Meeting:

A mandatory proposers meeting will be held **December 8th, 2021, at 2:00 p.m., at 3701 Marconi Avenue, Sacramento, CA 95821**, to provide all consulting teams with information concerning the Scope of the Study and to ask any questions. Moreover, any written questions should be submitted to Heather Hernandez via email to: [hhernandez@sswd.org](mailto:hhernandez@sswd.org) by no later than **2:00 p.m. on December 13, 2021**. All questions and answers will be distributed via email by **December 17, 2021**, as well as posted on SSWD's website at [sswd.org](http://sswd.org). The name of the consulting team submitting questions will not be identified.

**Submittal of the Proposal:** The Proposal shall be submitted using Adobe Acrobat (.pdf format) to Heather Hernandez via email [hhernandez@sswd.org](mailto:hhernandez@sswd.org) no later than **2:00 p.m. on January 10, 2022**.

**Proposal Review:** Qualifications will be evaluated by the General Managers of the Agencies. Submittals will be evaluated according to project understanding by the consultant, and the qualifications of your firm in providing services of a similar nature and how relevant that experience is to this project.

The top two to four proposals will be invited for one or more interviews on **January 13, 2022**. The interviewing panel will be comprised of the General Managers and 2x2 Ad Hoc Committee.

**The Consultant selected to perform the Study will be notified by January 19, 2022.**

**Award:** The top ranked party will be invited to enter into negotiations with the Agencies on the terms of a Consultant contract based on a final proposal to be submitted at that time. The negotiations will occur in January of 2022. If a satisfactory agreement cannot be negotiated, then the same process will be undertaken with the next highest ranked party on this list until a satisfactory agreement can be reached. The Agencies anticipate executing a contract in January 24, 2022 to begin providing services immediately.

The Consultant, as an independent contractor, will report to the General Managers from the Agencies. SSWD staff will provide contract administration and project coordination. The Agencies reserve the right to reject all proposals, directly contract with any proposer or non-proposer and request additional information.

A presentation to the 2x2 Ad Hoc Committee is scheduled for the week of March 9, 2022 and a presentation to both Agency boards during the last week of March 2022 at a joint board meeting.

**Conflict of Interest:** By submitting a Proposal, the Respondent declares and warrants that no elected or appointed official, officer or employee of the Agencies has been or

shall be compensated, directly or indirectly, in connection with the award of the Agreement or any work for the proposed project.

**E. CONCLUSION:**

If you have any questions, or need additional information, please contact Dan York at [dyork@sswd.org](mailto:dyork@sswd.org) or 916-679-3973.

Sincerely,

Dan York  
General Manager, SSWD

Attachments: A – Professional Services Agreement  
B – Conflict of Interest form

**Attachment A  
PROFESSIONAL SERVICES AGREEMENT**

THIS AGREEMENT, made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the Sacramento Suburban Water District (hereinafter referred to as "SSWD"), in conjunction with Carmichael Water District (collectively, "Agencies"), and \_\_\_\_\_, (hereinafter referred to as "Consultant").

**RECITALS**

SSWD requires the services of Consultant to: (insert finalized Scope of Work)

Consultant warrants it possesses the distinct professional skills, qualifications, experience, and facilities necessary to timely perform the services described in this Agreement. Consultant acknowledges that Agencies have relied upon said warranties to retain Consultant.

**AGREEMENT**

**NOW, THEREFORE,** SSWD and Consultant hereby agree that the aforementioned recitals are true and correct and further agree as follows:

**1. Retention as Consultant.** SSWD hereby retains Consultant on behalf of Agencies, and Consultant hereby accepts such engagement, to perform the services described in Section 3 below and subject to the terms and conditions contained in this Agreement.

**2. Relationship of Parties – Independent Contractors.** The relationship of the parties shall be that of independent contractors. In no event shall Consultant, or its agents, representatives, employees, consultants, contractors or subcontractors be considered an officer, agent, servant or employee of the SSWD or Agencies. Consultant shall be solely responsible for any workers' compensation insurance, withholding taxes, unemployment insurance, and any other employer obligations associated with the performance of the services under this Agreement.

**3. Description of Services.** Consultant shall provide professional \_\_\_\_\_ services to identify ways the Agencies can become more efficient in working together to deliver water services to our communities; look for ways to expand coordination and cooperation as well as identify opportunities for integrating programs, services, and activities to create efficiencies, improve results and achieve an overall cost benefit to the community;

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and study the potential of service coordination and integration as more particularly set forth in Exhibit "A" attached hereto.

**4. Consultant's Responsibilities.** In the performance of services under this Agreement, Consultant shall:

(a) Diligently perform all services required under this Agreement and continuously furnish the necessary personnel to complete such services in a timely manner;

(b) Perform all services under this Agreement in a manner commensurate with industry, professional, and community standards;

(c) At its own cost and expense, comply with all statutes, ordinances, regulations and requirements of all governmental entities, including federal, state, county or municipal, whether now in force or hereinafter enacted;

(d) Obtain and keep in effect during the term of this Agreement, at its sole cost and expense, all necessary licenses, permits, qualifications, insurance, and approvals of whatsoever nature which are legally required of Consultant to practice its profession and to provide the services under this Agreement;

(e) Be readily available to the Management Committee to answer any and all questions, inquiries and correspondence from Agencies or interested persons referred to Consultant by the Management Committee related to the performance of the services under this Agreement;

(f) Discuss and review all matters related to the performance of services under this Agreement with the Management Committee in advance of all critical decision points in order to ensure the work proceeds in a manner consistent with the Agencies' goals and policies; and,

(g) Consultant shall keep and maintain records and invoices related to services provided under this Agreement for a minimum period of three (3) years from the date of final payment to Consultant, or for a longer period as may be required by law. Such records and invoices shall include, but not be limited to, financial records, time sheets, work progress reports, bills and project records. All such records and invoices shall be clearly identifiable, and organized in a reasonable manner.

(1) Consultant shall make such records and invoices immediately available to SSWD or Agencies upon delivery of a written request to examine, audit, or copy such records and invoices.

- (2) Within three (3) business days of the delivery of a written notice by SSWD, Consultant shall prepare and submit a written report to SSWD, with copies for CWD, identifying the work in progress, charges incurred to date, and the anticipated cost of completion.
- (3) Consultant shall give SSWD thirty (30) days written notice of its intent to destroy or otherwise dispose of the records and invoices to allow SSWD or CWD an opportunity to take possession.

**5. Compensation and Payment.**

(a) The total compensation payable by SSWD to Consultant for services described in this Agreement **SHALL NOT EXCEED** the sum of \$\_\_\_\_\_ (hereinafter "not to exceed amount"), except for such extra services as may be authorized pursuant to Section 6 below. Compensation shall be earned as provided in Exhibit "A."

(b) SSWD shall pay Consultant no later than 30 days after SSWD receives and verifies a written invoice from Consultant in a form satisfactory to the Management Committee. At a minimum, Consultant's invoice shall contain a description of the services performed and/or the specific task completed from Exhibit "A". Consultant shall not submit invoices to SSWD more frequently than once a calendar month.

(c) The compensation set forth in this Agreement shall constitute the total compensation for all costs of the services provided by Consultant, including, but not limited to, direct costs of labor of employees engaged by Consultant, travel expenses, telephone charges, typing, duplication, computer time, and any and all other costs, expenses, and charges incurred by Consultant, its agents and employees to provide the services described in this Agreement.

**6. Extra Services.** Consultant shall provide, and SSWD shall pay for, such extra services agreed to in writing by the parties that are not reasonably included within the services described in Section 3 above. The total cumulative compensation for all extra services under this Agreement shall not be more than 10% of the not to exceed amount.

**7. Term.** The term of this Agreement shall commence on date this agreement is executed by both parties.

**8. Termination by SSWD or Agencies.** Upon thirty (30) calendar days written notice to Consultant, SSWD or CWD may terminate any portion or all of the services described in this Agreement. In the event of such termination, Consultant shall have the right and obligation to immediately assemble all work in progress for the purpose of winding up the terminated services. All compensation for actual  
Request for Proposal - Consultant Services for a Consolidation Study between Carmichael Water District and Sacramento Suburban Water District

work performed and charges outstanding at the time of termination shall be payable in accordance with Section 5(b) above.

**9. No Assignment.** No portion of this Agreement shall be assigned or subcontracted by Consultant without SSWD's or CWD's express written consent. The term "assignment" shall include any sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Consultant, or of the interest of any general partner or party to a joint venture, which results in a change of control of Consultant. Control means fifty percent or more of the voting power, or twenty-five percent or more of the assets of the corporation, partnership or joint-venture.

**10. Project Manager.** Consultant's services under this Agreement shall be performed under the general direction of Dan York, or such person as the Agencies may designate.

**11. Ownership of Documents.** All drawings, designs, data, photographs, reports and other documentation prepared or obtained by Consultant in the performance of the services contemplated by this Agreement shall be the property of the Agencies and shall be delivered to the Agencies upon demand.

**12. Confidentiality.** Consultant shall not disclose confidential or proprietary information or knowledge received directly or indirectly from the Agencies to anyone other than Consultant's employees necessary to perform the services described in this Agreement. This obligation shall survive termination and remain in full force and effect until the records kept and maintained pursuant to Section 4(g)(3) above, and any copies thereof, are destroyed or returned to the Agencies.

**13. Hold Harmless and Indemnity.** Consultant agrees to defend, indemnify and hold Agencies, their elected officials, officers, directors, employees, agents and designated volunteers harmless from and against any and all loss, liability, damage, including but not limited to reasonable attorney, consultant and expert fees and/or court costs, arising out of or in connection with this Agreement, except for the gross negligence and willful misconduct of Agencies, their elected officials, officers, directors, employees, agents and designated volunteers.

In addition to the above indemnification obligations, Consultant shall correct, at its own expense, all errors in the services provided. Should Consultant fail to make such correction in a timely manner, Agencies shall make the correction and charge the cost thereof to Consultant.

**14. Insurance.** For the duration of this agreement, Consultant shall procure and maintain, at its own cost, insurance in the amounts and under the terms set forth in Exhibit "B" attached hereto against claims for injuries to persons or

damages to property which may arise from or in connection with the performance of the work to provide the services described in this Agreement by Consultant, its agents, representatives, or employees. Consultant agrees to comply with any changes in the amounts and terms of such insurance as may be required from time to time by the Agencies, upon reasonable written notice.

**15. Acceptance of Final Payment.** Consultant's acceptance of final payment made under this Agreement, by negotiating SSWD's check or otherwise, shall release the Agencies from all claims and liabilities for compensation under this Agreement.

**16. Acceptance of Work.** The approval, payment and/or acceptance of the work or services performed under this Agreement by SSWD, shall not constitute or be deemed a release of the responsibility or liability of Consultant, its agents, employees, consultants, contractors, and/or subcontractors for the accuracy and competency of the services performed and/or information provided under this Agreement; nor shall such action be deemed an assumption of Consultant's responsibility or liability by the Agencies for any defect or error in Consultant's services.

**17. Waiver; Remedies.** A party's failure to insist upon the strict performance of any provision of this Agreement by the other party ("breaching party"), irrespective of the length of time for which such failure continues, shall not constitute a waiver of the non-breaching party's right to demand strict compliance in the future. A waiver shall not be effective or binding unless made in writing by the non-breaching party, and may not be implied from any omissions by the non-breaching party. A written waiver shall not constitute a continuing waiver of any subsequent breach of the same or a different provision of this Agreement.

All of the remedies permitted or available under this Agreement, or at law or in equity, shall be cumulative and alternative, and the invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other available right of remedy.

**18. Notice.** Any notice required to be given hereunder shall be deemed to have been given by depositing said notice in the United States mail with copies for all Agencies, postage prepaid, and addressed as follows:

TO SSWD:                      Attention: Dan York  
   General Manager  
   Sacramento Suburban Water District  
   3701 Marconi Avenue  
   Sacramento, California 95821

TO CONSULTANT: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Either party may change such address or contact person by written notice by registered mail to the other.**

**19. Conflict of Interest.** Consultant is unaware of any Agency employee or official that has a financial interest in Consultant's business. During the term of this Agreement and/or as a result of being awarded this Agreement, Consultant shall not offer, encourage, or accept any financial interest in Consultant's business by any Agency employee or official.

**20. Construction of Language.** The provisions of this Agreement have been arrived at through negotiation and each party had a full and fair opportunity to revise the provisions and have them reviewed by legal counsel. The parties agree that any ambiguities in construing or interpreting this Agreement shall not be resolved against either party as the drafting party. In the event of an inconsistency or conflict between the language of this Agreement and an attachment hereto, the language of the Agreement shall control.

**21. Non-Exclusive Agreement.** The Agencies reserve the right to engage other consultants in connection with the services described in this Agreement.

**22. Entire Agreement.** This Agreement, including the attachments hereto, supersede any other agreements, either oral or written, between the parties with respect to the described services, and this Agreement contains all of the covenants and agreements between the parties with respect to said services. Any modification to this Agreement must be in writing and signed by both parties.

**23. Partial Invalidity.** If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

In concurrence and witness whereof, and in recognition of the mutual consideration provided therefore, the parties have caused this Agreement to be executed on the date first written above.

**CONSULTANT:**

\_\_\_\_\_  
By:

Title:

**SSWD**

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Dan York  
General Manager

Attachments:

Exhibit A – Scope of Work

Exhibit B – Insurance Coverage, Amounts and Terms

## Exhibit B

### INSURANCE COVERAGE

Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his agents, representatives, or employees.

#### **Minimum Scope of Insurance**

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form number CA 0001 covering Automobile Liability, code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

#### **Minimum Limits of Insurance**

Consultant shall maintain limits no less than:

1. General Liability, including operations, products and completed operations, as applicable:  
**\$1,000,000** per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability:  
**\$1,000,000** per accident for bodily injury and property damage.
3. Employer's Liability:  
**\$1,000,000** per accident for bodily injury or disease.

#### **Deductibles and Self-Insured Retention**

Any deductibles or self-insured retention must be declared to and approved by SSWD. At the option of the Agencies, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Agencies, their officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to SSWD guaranteeing payment of losses and related investigations, claim administration and defense expenses.



## **Other Insurance Provisions**

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The Agencies, their officers, officials, employees and designated volunteers are to be covered as insureds as respects: liability arising out of activities performed by or on behalf of the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the Agencies, their officers, officials, employees or volunteers.
2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the Agencies, their officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agencies, their officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Any failure to comply with reporting or other provisions of the policy including breaches of warranties shall not affect coverage provided to the Agencies, their officers, officials, employees or volunteers.
4. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Agencies.

## ***Acceptability of Insurers***

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to SSWD.

## **Verification of Coverage**

Consultant shall furnish SSWD certificates of insurance and endorsement(s) effecting coverage to the Agencies for approval. The endorsements shall be on forms acceptable to SSWD. All certificates and endorsements are to be received and approved by SSWD before work commences. The Agencies reserve the right to require complete, certified copies of all insurance policies required by this section.