

**ACTION MINUTES OF REGULAR MEETING  
BOARD OF PUBLIC UTILITIES COMMISSIONERS  
CITY OF TULARE**

**November 3, 2016**

**A regular meeting of the Board of Public Utilities Commissioners, City of Tulare, was held on Thursday, November 3, 2016, at 3:00 p.m., in the Tulare Public Library & Council Chambers.**

**BOARD MEMBERS PRESENT:** Lee Brehm, Philip Smith, Edward Henry, Jim Pennington

**BOARD MEMBER ABSENT:** Dick Johnson

**STAFF PRESENT:** Paul Melikian, Joe Carlini, Michael Miller, Darlene Thompson, Trisha Whitfield, Tim Doyle, Josh Rogers, Frank Rodriguez, Nick Bartsch, Steve Bonville, Shonna Oneal

**I. CALL TO ORDER REGULAR SESSION:**

President Brehm called the regular session to order at 3:01 p.m.

**II. PLEDGE OF ALLEGIANCE:**

President Brehm led the Pledge of Allegiance.

**III. CITIZEN'S REQUEST OR COMMENTS:** *This is the time for citizens to comment on items within the jurisdiction of the Board. The Board cannot legally discuss or take official action on citizen comments that are introduced tonight. Each speaker will be allowed **three minutes**, with a maximum time of 10 minutes per item, unless otherwise extended by the Board.*

There were no citizen comments presented.

**IV. COMMUNICATIONS:**

There were no items for this section on the agenda.

**V. CONSENT CALENDAR:**

It was moved by Vice President Smith, seconded by Board Member Henry and carried 4-0 (Board Member Johnson absent) that the items on the consent calendar be approved as presented except for item 1.

**(1) Approve minutes of the October 20, 2016 regular/special meeting(s).** Board Member Henry pulled this item to clarify that the date noted on Consent 1 of the October 20, 2016 minutes should read October 6, 2016. With no discussion, it was moved by Board Member Henry, seconded by Vice President Smith and

carried 4-0 (Board Member Johnson absent) to approve the item as amended (reflecting the clerical error date change of October 20, 2016 to October 6, 2016).

- (2) **Receive, review, and file the Monthly Investment Report for September 30, 2016.**
- (3) **Accept as complete the contract with GSE Construction of Livermore, CA on Project SW0003 Sierra Lift Station Pump Replacement project; authorize the City Project Manager to sign the Notice of Completion; and direct the City Clerk to file the Notice of Completion with the Tulare County Recorder's Office.**

**VI. GENERAL BUSINESS:**

- (1) **Authorize the City Manager, or designee, to sign a contract with Carollo Engineers of Fresno, CA in the amount of \$149,976 for preliminary and final design, bidding and construction support services for the construction of a well at 1258 North J Street subject only to minor conforming or clarifying changes acceptable to the City Attorney; approve the attached project sheet; and authorize the City Manager or designee to approve contract change orders in the amount not to exceed 10% (\$14,997.60) of the contract amount.** Project Manager Trisha Whitfield provided a report for the Board's review and consideration. Following a brief discussion, it was moved by Vice President Smith, seconded by Board Member Henry and carried 4-0 (Board Member Johnson absent) to approve the item as presented.
- (2) **Award the purchase of 1,590 automated refuse cans to Cascade Cart Solutions, using NJPA Contract No. 020613-CEI in the amount of \$85,297.26, which includes tax and shipping.** Solid Waste Manager Frank Rodriguez provided a report for the Board's review and consideration. Following discussion, it was moved by Vice President Smith, seconded by Board Member Henry and carried 4-0 (Board Member Johnson absent) to approve the item as presented.
- (3) **Authorize the City Manager, or designee, to sign a contract with R3 Consulting Group of Roseville, CA in the amount of \$135,000 to conduct the Solid Waste Route and Rate Study, Vehicle Impact Fee Study, Operations Review and a 10 Year Financial Plan subject only to minor conforming or clarifying changes acceptable to the City Attorney; approve the attached project sheet and appropriate project budget in the amount of \$168,000 from Solid Waste Fund 012 fund balance; and authorize the City Manager or designee to approve contract change orders in the amount not to exceed 10% (\$13,5000) of the contract amount.** Solid Waste Manager Frank Rodriguez provided a report for the Board's review and consideration. Public Works Director Joe Carlini advised the Board that the rate study will also include the facility for Solid Waste. Interim City Manager Paul Melikian addressed the Board regarding the importance of performing these studies on a more regular basis. The Board raised questions and staff provided responses thereto. William Schoen of R3 Consulting Group addressed the Board and provided them with information

regarding their experience in performing Solid Waste studies. Following discussion, it was moved by Vice President Smith, seconded by Board Member Pennington and carried 4-0 (Board Member Johnson absent) to approve the item as presented.

- (4) **Award Bid 17-601 to Will Tiesiera Ford of Tulare, CA for the purchase of two container carrier trucks with the Stellar ECCR body style in the amount of \$150,403.34 including tax and license; and transfer \$403.34 of allocated funds from the replacement unit for Solid Waste Division Replacement of Unit #530 to cover the shortage of funds allocated by the Fleet Replacement Budget.** Solid Waste Manager Frank Rodriquez provided a report for the Board's review and consideration. The Board requested staff provide photographs of future vehicle requests with their staff reports. Following discussion, it was moved by Board Member Pennington, seconded by Board Member Henry and carried 4-0 (Board Member Johnson absent) to approve the item as presented.
- (5) **Update regarding Soults Mutual Water Company water system improvement project. (Informational Item Only).** Project Manager Trisha Whitfield provided an update regarding the Soults Mutual Water Company water system improvement project. The Board raised questions and staff provided responses thereto. Following discussion, no action was taken.

**VII. ITEMS OF BOARD INTERESTS:**

Items of Board interest were discussed among the Board and staff.

**VIII. ADJOURN REGULAR MEETING:**

President Brehm adjourned the regular meeting at 3:54 p.m.

---

President of the Board of Public Utilities  
Commissioners of the City of Tulare

**ATTEST:**

---

Secretary of the Board of  
Public Utilities Commissioners

**ACTION MINUTES OF REGULAR MEETING  
BOARD OF PUBLIC UTILITIES COMMISSIONERS  
CITY OF TULARE**

October 26, 2016

**A special meeting of the Board of Public Utilities Commissioners, City of Tulare, was held on Wednesday, October 26, 2016, at 3:00 p.m., in the Tulare Public Library & Council Chambers.**

**BOARD MEMBERS PRESENT:** Philip Smith, Edward Henry, Jim Pennington,

**BOARD MEMBERS ABSENT:** Lee Brehm, Dick Johnson

**STAFF PRESENT:** Paul Melikian, Dave Hale, Joe Carlini, Darlene Thompson, Trisha Whitfield, Josh Rogers, Benjamin Siegel, Shonna Oneal

**I. CALL TO ORDER SPECIAL SESSION:**

President Pro Tem Smith called the special session to order at 3:00 p.m.

**II. PLEDGE OF ALLEGIANCE:**

Board Member Pennington led the Pledge of Allegiance.

**III. CITIZEN'S REQUEST OR COMMENTS:** *This is the time for citizens to comment on items within the jurisdiction of the Board. The Board cannot legally discuss or take official action on citizen comments that are introduced tonight. Each speaker will be allowed **three minutes**, with a maximum time of 10 minutes per item, unless otherwise extended by the Board.*

There were no citizen comments presented.

**IV. GENERAL BUSINESS:**

**(1) Approve a twenty (20) year Power Purchase Agreement with Fuel Cell Energy of Danbury, Connecticut, and one of two gas purchase agreement alternatives 1) a fixed rate of \$4.00 per MMBtu or 2) a variable monthly index price, with Direct Energy of Houston, Texas for three (3) years, subject only to minor conforming or clarifying changes acceptable to the City Attorney; and authorize the City Manager to execute the approved agreements.** Public Works Director Joe Carlini provided a report for the Board's review and consideration and introduced Chris Ott and Patrick McLafferty of Hydros Agritech, Inc. Mr. Ott addressed the Board regarding the urgency to expedite this matter and apologized to the Board for the need to hold a Special Meeting. Ben Tobey of Fuel Cell Energy addressed the Board regarding the short timeframe in providing the documents for review and the motivation for approving the proposed Power Purchase Agreement (PPA) prior to the end of Fuel Cell Energy's fiscal year. Patrick McLafferty of Hyrdos Agritech, Inc. provided a PowerPoint

Presentation highlighting the project description, the proposed PPA, estimated savings, and the options for purchasing natural gas. Ann Trowbridge, Special Counsel for the City of Tulare, addressed the Board regarding her review and analysis of the proposed PPA and also provided comments regarding the proposed Gas Purchase Agreements options with a third party. City Attorney Dave Hale advised the Board of his concern regarding potential bankruptcy issues related to the fixed 3-year Gas Purchase Agreement and deferred to Special Council regarding the index price Gas Purchase Agreement. Interim City Manager Paul Melikian addressed the Board regarding his experience with Power Purchase Agreements.

President Pro Tem Smith briefly exited the Council Chambers at 3:53 p.m. and a brief recess was taken because of a lack of a quorum. President Pro Tem Smith returned to the Council Chambers at 3:54 p.m. and the meeting resumed.

Following discussion it was moved by Board Member Henry, seconded by Board Member Pennington and carried 2-1 (President Brehm and Board Member Johnson absent, President Pro Tem Smith voting no) to approve the 20 Year PPA with Fuel Cell Energy. Deputy City Clerk/Budgets Coordinator Shonna Oneal sought clarification regarding the motion. Following a brief discussion it was moved by Board Member Henry, seconded by Board Member Pennington and carried 3-0 (President Brehm and Board Member Johnson absent) to approve the 20 Year PPA with Fuel Cell Energy subject only to minor conforming or clarifying changes acceptable to the City Attorney and to authorize the City Manager to execute the approved agreements.

**V. ADJOURN SPECIAL MEETING:**

President Pro Tem Smith adjourned the regular meeting at 4:12 p.m.

---

President of the Board of Public Utilities  
Commissioners of the City of Tulare

**ATTEST:**

---

Secretary of the Board of  
Public Utilities Commissioners

AGENDA ITEM: Consent 2

CITY OF TULARE, CALIFORNIA  
BOARD OF PUBLIC UTILITIES COMMISSIONERS  
AGENDA ITEM TRANSMITTAL SHEET

Submitting Department: Finance

For BPU Meeting of: November 17, 2016

Documents Attached:  Ordinance  Resolution  Staff Report  Other  None

**AGENDA ITEM:**

Accept Financial Status Report.

**IS PUBLIC HEARING REQUIRED:**  Yes  No

**BACKGROUND/EXPLANATION:**

Revenues are tracking higher than budgeted in Water and Sewer funds because of a combination of water conservation declining and new increased rates beginning in October billing. Industrial Ag customers decreased their water consumption between October 2015 and 2016 by 12,508 T Gals, but the remainder of the customers increased their consumption by 39,803 T Gals. For the same period, revenue was higher in 2016 by \$246,835.

Sewer, on the other hand, had a smaller increase in revenues over the preceding fiscal year of \$46,161; but Industrial Ag water usage was down compared to the rest of the City. Industrial sewer is based on water usage and the strength of the effluent.

Expenditures are tracking with the budget so there is nothing unusual to report. The Annual Admin, Franchise and IT fees are charged at the beginning of the year rather than monthly so the expenditures are the same as the budget for that line.

**STAFF RECOMMENDATION:**

Accept Financial Status Report.

**IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED:**  Yes  No  N/A

Submitted by: Darlene Thompson

Title: Finance Director

Date: November 8, 2016

City Manager Approval: 



City of Tulare  
Utility Operation Funds  
Summary of Revenue/Expenditures - Budget to Actual  
For the Four Months Ended  
October 31, 2016

	Residential		Commercial		Street Sweeping		Roll-Offs		Other Revenue		Total	
	Annual Budget FY 2017	Actual	Annual Budget FY 2017	Actual	Annual Budget FY 2017	Actual	Annual Budget FY 2017	Actual	Annual Budget FY 2017	Actual	Annual Budget FY 2017	Actual Total
Service Revenue	\$ 4,705,000	\$ 1,584,509	\$ 1,639,000	\$ 580,716	\$ 992,260	\$ 365,915	\$ 733,100	\$ 269,518	\$ 6,000	\$ -	\$ 8,069,360	\$ 2,800,658
Recycle Sales	47,000	8,018	23,350	5,916	-	-	3,500.00	1,171	-	-	79,850	15,105
Drought Surcharge												
Water Recharge Component												
Water Waste Fees											199,670	75,150.21
Miscellaneous Revenue											135,880	135,880
Interfund Loan Repayment												
Transfer In From General Fund												
<b>Total Revenues</b>	<b>4,752,000</b>	<b>1,592,527</b>	<b>1,662,350</b>	<b>586,632</b>	<b>992,260</b>	<b>365,915</b>	<b>736,600</b>	<b>270,690</b>	<b>341,550</b>	<b>75,150</b>	<b>8,484,760</b>	<b>2,890,914</b>
<b>Expenditures:</b>												
<b>Operations</b>												
Salaries & Benefits	1,497,050	482,081	835,220	208,370	283,090	60,859	211,780	81,875	-	-	2,827,140	833,185
Maintenance & Operations	2,406,490	497,759	1,144,520	243,729	342,160	88,260	497,730	106,823	-	-	4,390,900	936,571
Annual Admin, Franchise & IT Fees	141,150	134,120	80,840	80,840	9,580	9,580	29,780	29,780	-	-	261,350	254,320
Depreciation	15,780	2,628	-	-	-	-	-	-	-	-	15,780	2,628
Transfers to Surface Water												
Transfers to Technology CIP	6,150	6,150	-	-	-	-	-	-	-	-	6,150	6,150
<b>Total Operations</b>	<b>4,066,620</b>	<b>1,122,738</b>	<b>2,060,580</b>	<b>532,839</b>	<b>634,830</b>	<b>158,699</b>	<b>739,290</b>	<b>218,478</b>	<b>-</b>	<b>-</b>	<b>7,501,320</b>	<b>2,032,854</b>
<b>Net Revenue from Operations</b>	<b>685,380</b>	<b>469,789</b>	<b>(398,230)</b>	<b>53,693</b>	<b>357,430</b>	<b>207,216</b>	<b>(2,690)</b>	<b>52,212</b>	<b>341,550</b>	<b>75,150</b>	<b>983,440</b>	<b>858,060</b>
<b>Other Expenditures</b>												
Capital Outlay												
Special M & O	180,000	285	61,000	-	-	-	11,500	-	-	-	72,500	-
CIP Expenditures	180,000	285	61,000	-	-	-	11,500	-	-	-	180,000	285
<b>Total Capital Expenditures</b>	<b>360,000</b>	<b>570</b>	<b>122,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>232,500</b>	<b>285</b>
Debt Service												
Total Debt Service												
<b>Total Other Expenditures</b>	<b>180,000</b>	<b>285</b>	<b>61,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>232,500</b>	<b>285</b>
<b>Net Revenue(Expenditures)</b>	<b>\$ 525,380</b>	<b>\$ 469,504</b>	<b>\$ (459,230)</b>	<b>\$ 53,693</b>	<b>\$ 357,430</b>	<b>\$ 207,216</b>	<b>\$ (14,190)</b>	<b>\$ 52,212</b>	<b>\$ 341,550</b>	<b>\$ 75,150</b>	<b>\$ 750,940</b>	<b>\$ 857,775</b>

Expenses paid in July and August for June activities are included in the previous fiscal year's expenses.



**CITY OF TULARE, CALIFORNIA  
BOARD OF PUBLIC UTILITIES COMMISSIONERS  
AGENDA ITEM TRANSMITTAL SHEET**

**Submitting Department: Public Works**

**For Board Meeting of: November 17, 2016**

**Documents Attached:**  Ordinance  Resolution  Staff Report  Other  None

**AGENDA ITEM:**

Accept Public Works Comparator Tool update reflecting projected versus actual data.

**IS PUBLIC HEARING REQUIRED:**  Yes  No

**BACKGROUND/EXPLANATION:**

As a result of the December 11, 2014 Special Joint Meeting of City Council, Board of Public Utilities and Planning Commission, direction was given by the joint bodies that all new entitlement applicants shall be required to conduct a hydraulic water model of the water distribution system for their proposed projects. In order to facilitate and streamline the application and decision-making process for water connection requests associated with new entitlements, staff developed a "Policy Governing Approval of Water Connections for New Entitlements". Supporting procedures for evaluating the water system's ability to accommodate the additional demand resulting from proposed entitlements was also developed, including a supply versus demand comparison tool. This "Comparison Tool" allows staff to make determinations regarding the City water system's ability to support additional connections, allowing for impacts of changes to both supply and demand to be forecast for the system over a 36-month period. These forecasts provide the basis for determining staff recommendations to the Board regarding the system's ability to accommodate specific connection requests and meet future estimated water demand.

The attached monthly report provides the Board with an update on the number of new water connections that have been approved since December 11, 2014, and their status. The report also provides a comparison of projected performance measures to actual results observed. This comparison provides staff with the ability to verify and refine the assumptions and calculation methods used in the Comparator Tool.

**STAFF RECOMMENDATION:**

Accept Public Works Comparator Tool update reflecting projected versus actual data.

**CITY ATTORNEY REVIEW/COMMENTS:**  Yes  No  N/A

**IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED:**  Yes  No  N/A

**Signed: Joseph Carlini**

**Title: Public Works Director**

**Date: November 17, 2016**

**City Manager Approval:** 

**Comparator Tool  
Projection vs Actual**

Month	System Capacity		System Delivery Capacity (MGD)		System Capacity Loss (MGD)		New Connections Completed		Monthly Total Demand (MGD)		Peak Hour Demand (MGD)		Average Max Day Pressure (PSI)		Peak Minimum Pressure (PSI)	
	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
Oct-16	31.95	31.95	1.52	-	15	15	11.94	-	18.27	-	59.24	52.23	47.14	38.94		
Sep-16	31.95	31.95	1.14	0.94	15	26	15.67	16.58	23.60	23.62	58.85	51.83	44.90	35.20		
Aug-16	31.95	31.95	2.24	1.79	14	25	20.44	19.43	29.43	25.02	58.03	54.16	45.19	33.29		
Jul-16	31.95	31.95	1.09	2.38	18	367	22.75	17.52	32.75	26.35	55.13	53.57	45.69	31.50		
Jun-16	31.95	31.95	1.25	1.48	26	23	22.18	18.89	31.93	24.67	53.88	52.87	43.63	32.23		
May-16	31.95	31.95	0.97	0.50	24	44	19.83	15.41	28.55	19.49	53.56	53.03	43.89	37.32		
Apr-16	31.95	31.95	0.30	0.54	19	18	15.33	12.20	22.07	13.74	56.65	50.67	46.19	42.43		
Mar-16	31.95	31.95	1.17	0.07	20	14	12.73	9.46	12.66	8.61	57.19	51.29	47.15	41.84		
Feb-16	31.95	31.95	0.24	1.32	16	17	11.44	8.52	11.37	8.65	58.64	53.56	47.26	40.96		
Jan-16	31.95	31.95	1.21	1.50	10	16	12.27	7.58	12.21	8.28	56.53	53.85	44.24	40.27		
Dec-15	31.95	31.95	0.43	0.28	5	53	10.76	9.35	10.71	8.99	58.35	54.90	49.61	40.26		
Nov-15	31.95	31.95	2.69	0.82	12	23	10.68	9.81	12.85	10.19	56.96	56.00	46.26	41.90		
Oct-15	31.95	31.95	1.52	1.52	24	28	13.48	11.94	16.57	14.86	59.24	52.53	47.14	39.73		
Sep-15	26.42	26.42	1.18	1.14	16	20	16.86	15.67	17.40	19.12	58.85	54.07	44.90	39.96		

Number of new water connections completed since December 11, 2014 = 838  
 Number of new water connections under construction (building permits issued) = 219  
 Number of pending water connections in permit approval process = 93  
 Number of pending water connections with conditional approval = 578  
 Total = 1728

Note: New connections in July 2016 includes 337 connections for Pratt Mutual Water District

**CITY OF TULARE, CALIFORNIA  
BOARD OF PUBLIC UTILITIES COMMISSIONERS  
AGENDA ITEM TRANSMITTAL SHEET**

**Submitting Department: Public Works**

**For Board Meeting of: November 17, 2016**

**Documents Attached:**  Ordinance  Resolution  Staff Report  Other  None

---

**AGENDA ITEM:**

Accept Public Works performance reports for October 2016.

**IS PUBLIC HEARING REQUIRED:**  Yes  No

**BACKGROUND/EXPLANATION:**

Public Works first reported performance dashboards for each of its divisions to the Board of Public Utilities in August 2015 with the intention of inviting additional transparency into the maintenance and operations activities of each of the divisions.

**Solid Waste**

Total fleet availability has been maintained at 83% in October. Overall tonnage has increased by 213 tons, from 4608 tons from all divisions and all waste categories in September to 4821 tons in October. By division this represents an increase of 71.5 tons in Commercial, a 41.7 ton reduction in Roll Off, a 350.6 ton increase in Sweeper and a decrease of 168.3 tons in Residential. By waste category, trash waste decreased by 323.8 and food waste increased 4.6 tons. Recycled waste increased by 448.4 tons, and green waste increased by 83 tons from September to October. It is noted that all of the overall tonnage increase can be accounted for by the increase in Sweeper division recycling tonnages. The Sweeper increase is the result of delivering back logged landfill cover that was previously collected and has been received by the landfill as cover, so there are no additional costs to the City.

**Water**

Operationally, one category stands out in October: the extended average time to replace or install a water service. In week two, Water division staff installed one new service line in nearly 40 hours, 14 hours beyond the target maximum of 26 hours. The reason was that their heavy equipment (backhoe) was down for repair, forcing them to coordinate with Sewer division for the shared use of their equipment. The Water division backhoe has since been repaired and is available, however this unit is over 20 years old and is scheduled to be replaced in FY17-18.

September conservation was previously reported as only 15.2% compared to September 2013, a decrease from 18.75% in August of 2016. Staff has revised the September Conservation to 15.9% to reflect the exclusion of consumption by customers

outside of City limits, as allowed by the State Conservation regulations. The preliminary October conservation value is 13.5%. Staff will revise the conservation rate after the consumption from outside city limits has been collected for the month of October. Water Waste tickets decreased from 191 in September to 174 in October. 68% of those tickets are first time offenders, and 20.7% were second offense tickets. 60.9% of the tickets written were for irrigation at the wrong time (a reduction from 74% in October), while 9.8% were for Monday watering. September system loss is within industry standards, at 5.4%.

### **Collections**

The Sewer Collections crew cleaned over 42,000 linear feet achieving their performance standard for the month. Televising footage was reduced to only 900 linear feet of sewer line in October. In all averaging 30 minutes or less per 100 In feet for line cleaning. This rate maintains the division standard.

In October, the Collections team continued to assist the Surface Water Management division with a variety of projects. This can be identified from the time spent in the *'Interdepartmental Assistance'* categories. The collections crew currently has one member of the crew on light duty for much of the month. This can be seen in the high number of staff hours spent in the *'Office Work'* category.

### **Surface Water Management**

Surface Water Management has begun focusing to cleaning and preparing Drain Inlets to allow improved flow of nuisance and flood waters off the streets and into the system. The Surface Water system performed well during the October rain events. The only notable problems were in areas with underdeveloped infrastructure that currently do not have drainage. There were some minor problems in a developed area where there are undersized mains, near North Oaks St and Prosperity Ave. Staff also updated the state mandated Municipal Separate Storm Sewer Systems (MS4) report throughout the month of October. The report was submitted in early November, so there are several updates and changes to the report that will be included in November's Performance report.

### **Waste Water Treatment Plant (WWTP)**

Staff has revamped the WWTP dashboard and reduced it one page. Further changes are anticipated. Staff is still tracking the sample compliance for BOD, TSS, ammonia and nitrogen, however, the multiple samples have been removed from the dashboard to simplify the document to a single page. Permit compliance parameters have not changed, the WWTP is still required to treat to produce effluent to BOD and TSS levels at or below 40mg/L. The WWTP maintains its compliance if the average of the samples is below 40 mg/L. If any single sample exceeds 80mg/L, the facility is no longer in compliance. In the event an individual sample exceeds 40mg/L, it will be identified in the dashboard report as an exceedance.

In October, the WWTP has been performing to standards, apart from the air permit violation. The WWTP has been exhibiting good efficiency metrics for BOD, TSS and

Ammonia. The wastewater discharge permit has been compliant and zero individual samples have generated non-compliant results.

Operationally, the WWTP completed only three corrective work orders, and 385 preventative maintenance work orders. Under 1% of work orders were completed to address an immediate and unplanned problem. The remaining 99% of work orders were for planned and preventative maintenance. Overall, 87 of the work orders were completed for the Domestic side of the facility and 301 for the Industrial side, 22% and 78% respectively. The Monthly influent and effluent volumes are slightly increased (10MG) over September.

Air Permit

The WWTP maintains 20 total air permits throughout the facility and operations. Currently, the WWTP is compliant in all 20 of the permits. The outstanding notice of violation is still unresolved, and City staff is awaiting final issuance the Notice of Violation and its penalty amount from the State.

**STAFF RECOMMENDATION:**

Accept Public Works performance reports for October 2016.

**CITY ATTORNEY REVIEW/COMMENTS:**  Yes  No  N/A

**IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED:**  Yes  No  N/A

**FUNDING SOURCE/ACCOUNT NUMBER:**

Signed: Benjamin Siegel

Title: Management Analyst

Date: November 17, 2016

City Manager Approval: 

# City of Tulare Solid Waste Dashboard Month of October

Year	Planned Replacement	Residential	Commercial	Monthly Availability
2007	2018/2019	5580		47%
2007	2018/2019	5581		35%
2008		5582		71%
2008	2019/2020	5583		100%
2009		5584		35%
2012		5585		100%
1998		5593		94%
2001		5598		53%
2002	2015/2016	5000		88%
2002	2016/2017	5001		100%
2002	2015/2016	5003		100%
2013		5510		88%
2013		5511		100%
2013		5512		100%
2015		5513		65%
2015		5514		94%
2015		5515		94%

**Legend**  
**Availability**  
 > 75%  
 < 75%

Residential		Total
<b>Maintenance</b>		
New Customers/Deliveries		101
Can Removals		74
Can Repairs / Exchanges		57
<b>Yard / Field</b>		
Special Hauls		4
Illegal Dumping		15
Chip Tonnage		4.62

Sweeper		Total
<b>Routes</b>		
Water used - Gallons		8,200
Miles		1,675
Sweeper Route Loads		92
Tonnage From Routes		202.43
Tonnage Re-Used To Landfill		435.66
Tonnage Landfilled As Trash		0

### Monthly Tonnages

Total	Trash	Recycle	Food Waste	Green Waste	Residential	Commercial	Roll Off	Sweeper
2,254.8	1,240.2	274.5	0.0	740.1				
1,326.3	1,154.0	100.8	71.4					
804.1	627.8	62.8	31.5	82.0				
435.7		435.7	0.0	0.0				
4,820.8	3,022.0	873.8	103.0	822.1				

### % Tonnages by Division

Trash	Recycle	Food Waste	Green Waste	Residential	Commercial	Roll Off	Sweeper
55%	12%	0%	33%				
87%	8%	5%	0%				
78%	8%	4%	10%				
0%	100%	0%	0%				

### % Tonnages by Category

Trash	Recycle	Food Waste	Green Waste	Residential	Commercial	Roll Off	Sweeper
41%	31%	0%	90%				
38%	12%	69%	0%				
21%	7%	31%	10%				
0%	50%	0%	0%				
<b>63%</b>	<b>18%</b>	<b>2%</b>	<b>17%</b>				

**Fleet Average 83%**

Commercial		Total
<b>Temporary Bin Rentals</b>		
Bin Services		236
Bin Deliveries		89
Bin Finishes		69
<b>New Starts/Stops</b>		
Bin Deliveries / Starts		6
Service Stops/Shares		0
Service Changes		4
Bin Removals		0
Extra Bin Services		29
Return Bin Services		9
<b>Bin Maintenance/Paint Shop</b>		
Bin Repairs/Exchanges		29
Bin Graffiti/Touch Up		0
Casters Replaced/Installed		6
Lids Replaced/Repaired		0
Bins Modified		0
Bins Painted		8

Roll Off		Total
<b>Roll Off Services</b>		
Roll Off Deliveries		340
Roll Off Finishes/Removed		26
Roll Off Finishes/Removed		29
<b>Bin Maintenance/Paint Shop</b>		
Roll Offs Painted		1
Roll Offs Repaired		2
Roll Offs Modified		0

# City of Tulare Monthly Dashboard

## Water Legend



-> The metric falls within acceptable standards



-> the metric falls outside of acceptable standards



-> There is currently no established standard for this metric

## Parameters

Well Site Maintenance #	→ NA
Well Site Maintenance Hours	→ NA
Well Site Maintenance Hours per Site	→ Minimum of 1.5 man hours per site average
Replace/Install Water Service	→ NA
Replace/Install Water Service Hours	→ NA
Replace/Install Water Service Hours per Service	→ Less than 26 man hours per Service installation
Replace/Install Meter Total Hours	→ NA
Replace/Install Meter	→ NA
Average Hours per Meter Installed	→ Less than 2 man hours per meter average
Off/On Non Payment Hours	→ NA
# Off/On Non Payment	→ NA
Average Hours per Off/On	→ Minimum of 3 Off/On per man hour
Assist other divisions/Miscellaneous	→ NA
Water Waste Tickets	→ NA
Water Waste Hours	→ NA
Monthly Potable Production	→ NA
Potable Production Change over same month 2013	→ at least 20%
System Loss	→ Less than 10% System loss
System Loss change over Previous Year	→ NA
Leak Events	→ NA
Leak Repair (Hours)	→ NA
Hours per leak repair	→ Less than 3 Man Hours per Leak Event
Estimated Average Loss per Leak Event	→ NA

City of Tulare Water Division  
October Dashboard

Services	Partial	Wk 1	Wk 2	Wk3	Wk4	Partial	MTD
<b>Maintenance Activities</b>							
Well Site Maintenance #		28	28	28	28		112
Well Site Maintenance Hours		48.5	42	43	54		187.5
Well Site Maintenance Hours per Site		2	2	2	2		2
Replace/Install Water Service		2	1	4	4		11
Replace/Install Water Service Hours		44	39.5	92	93		268.5
Replace/Install Water Service Hours per Service		22.0	39.5	23.0	23.3		24.4
<b>Finance Dept Services</b>							
Replace/Install Meter Total Hours				22	15		37
Replace/Install Meter				36	12		48
Average Hours per Meter Installed				1	1		0.8
Off/On Non Payment Hours		8.5	121				129.5
# Off/On Non Payment		6	353				359
Average Hours per Off/On		0.7	2.9				2.8
<b>Interdepartmental Services</b>							
Assist other divisions/Miscellaneous							
<b>Special Projects* See Notes</b>							
<b>Conservation</b>							
Water Waste Tickets		55	27	46	46		174
Water Waste Hours		28	25	30	36		119
Monthly Potable Production (gal) 2016				450,330,600			
Prev year Monthly Potable Production 2013				520,424,000			
Potable Production Change over same month 2013				13.47%			
<b>System Losses</b>							
System Loss (September)				5.4%			
System Loss change over Previous Year (September)				-2%			
Leak Events		2		2	4		8
Leak Repair (Hours)		21		10	24		55
Hours per leak repair		21.0		5.0	6.0		6.9
Estimated Average Loss per Leak Event (gal)		1,650		200	1,375		3,225

# City of Tulare Monthly Dashboard

## Sewer Legend



-> The metric falls within acceptable standards



-> the metric falls outside of acceptable standards



-> There is currently no established standard for this metric

## Parameters

Lineal Feet Televised	→ At least 1,750 ft/week
Hours per 100 In ft	→ No more than 1 man hour/100ft
Lineal Feet Cleaned	→ At least 10,000ft/week
Hours per 100 In ft	→ No more than 1 man hour/100ft
Lift Station Maintenance	→ Every lift station weekly
Lift Station Maintenance (hours)	→ At least 16 hr/week
Equipment Inventory & Upkeep	→ NA
Treatment Plant Work Hours	→ NA
Swr Repair	→ NA
Manholes	→ NA
Hours Per Manhole	→ No more than 4 man hours per man hole
SSO Events	→ Zero SSO events/week
USA Locates	→ NA
Avg hours per Locate	→ NA
Number of Callouts	→ NA
Callout Avg Response Time	→ NA
Office Work	→ no more than average of 100 man hours per month
Meetings	→ NA
Customer Service	→ NA
Interdepartmental Assistance	→ NA

# City of Tulare Sewer Division

## October Dashboard

Services	Partial	Wk 1	Wk 2	Wk3	Wk4	Partial	MTD
<b>Maintenance Activities</b>							
Lineal Feet Televised				800	100		900
Hours per 100 In ft				1.3	6		2
Lineal Feet Cleaned		10340	9660	9210	13520		42730
Hours per 100 In ft		0.4	0.4	0.4	0.4		0.4
Lift Station Maintenance		15	15	15	15		15
Lift Station Maintenance (hours)		42.5	70	46.5	18		177
Equipment Inventory & Upkeep							
Treatment Plant Work Hours							
Swr Repair							
Manholes							
Hours Per Manhole							
SSO Events							
<b>Service/Calls</b>	<b>Partial</b>	<b>Wk 1</b>	<b>Wk 2</b>	<b>Wk3</b>	<b>Wk4</b>	<b>Partial</b>	<b>MTD</b>
USA Locates				1			1
Avg hours per Locate							
Number of Callouts		1		1	1		3
Callout Avg Response Time							
Office Work		35	29	31.5	31		126.5
Meetings		6	6	5	5		22
Customer Service		8	2	2	3		15
Interdepartmental Assistance		69	57.5	55	98.5		280

**City of Tulare Monthly Dashboard  
Surface Water Management Legend**

 -> The metric falls within acceptable standards

 -> the metric falls outside of acceptable standards

 -> There is currently no established standard for this metric

**Parameters**

Lineal Feet Televised	→ N/A
Hours per 100 In ft	→ NA
Lineal Feet Cleaned	→ N/A
Hours per 100 In ft	→ NA
Lift Station Maintenance	→ At least 4 Lift Stations maintained/ week
Lift Station Maintenance (hours)	→ NA
Drain Inlets Cleaned	→ NA
Avg hours per D.I.	→ NA
Storm Drain Repair	→ NA
SSO Events	→ Zero SSO events/week
Basins Cleaned	→ NA
Avg hours per Basin	→ Less than or equal to 30 minutes per basin
Number of Callouts	→ NA
Callout Avg Response Time	→ NA

Note: Performance parameters are currently under review

# City of Tulare Surface Water Division

## October Dashboard

Services	Partial	Wk 1	Wk 2	Wk 3	Wk 4	Partial	MTD
<b>Maintenance Activities</b>							
Lineal Feet Televised							
Hours per 100 In ft							
Lineal Feet Cleaned							
Hours per 100 In ft							
Lift Station Maintenance		9	7	9	6	2	33
Lift Station Maintenance (hours)		51	53	31	63	24	222
Drain Inlets Cleaned				65	14		79
Avg hours per D.I.				1	2		1
Storm Drain Repair					19		19
SSO Events							
Basins Cleaned			6	4			10
Avg hours per Basin			2.5	2			2.3
Number of Callouts							
Callout Avg Response Time							

## City of Tulare Monthly Dashboard

### WWTP Legend

#### Parameters

-> The metric falls within acceptable standards

**Water Discharge** - under 40mg/liter per day or 40mg/liter monthly avg for BOD and TSS

-> the metric falls outside of acceptable standards

**Violations** - These will be identified along with the date of violation

-> There is currently no established standard for this metric

#### Title 22 Discharge Parameters

*\* These are conditions for Title 22 permit compliance to be used as a contextual guide for our current permit and plant performance*

#### Abbreviations

mg/l - milligrams per liter

ND - Non Detect

BOD - Biological Oxygen Demand

TSS- Total Suspended Solids

TOC - Total Organic Carbon

WO - Work Order

PM - Preventative Maintenance

Cor - Corrective Maintenance

1. BOD - Non Detect(ND)
2. TSS- <5mg/l
- 3 Nitrogen - <10mg/l
4. Ammonia - <10mg/l
5. Crypto Virus - Non detect(ND)
6. Giardia- Non detect(ND)
7. TOC- <0.5mg/l

#### Definitions

**TSS - Total Suspended Solids.**

Particles larger than 2 microns found in the water column. Generally comprised of inorganic compounds.

**\*\*BOD testing is run twice a week. The first and third week of the month will be Tuesday and Thursday. The second and fourth week will be Monday and Wednesday.**

**TOC - Total Organic Carbon.**

Total of organic (carbon based) contaminants in the water system.

**Efficiency**

Staff has identified a target efficiency for BOD, TSS, ammonia and Nitrogen of 90% or greater

**Giardia & Cryptosporidiosis (Crypto)**

These are viruses related to fecal contamination. For Title 22 grade effluent, they must be eradicated.

City of Tulare WWTP Division  
October Dashboard

Dashboard Month of October 2016

Compliance	
WasteWater Discharge	compliant
current permit	Avg
BOD	<40mg/l 22
Efficiency	>90% 90
TSS	<40 mg/l 22.9
Efficiency	>90% 90
ammonia	<10mg/l 0.0
Efficiency	>90% 100
nitrogen	<10mg/l 7.6
Efficiency	>90% 95
Air Permit	20/20

0 # of Samples  
out of compliance

Maintenance	
# PM WO	Domestic 407 Industrial
# Cor WO	3
# of Carry Over WO	1
Division WO Closed	74 284
Total WO closed	394
Monthly man Hours	395.43

Influent (MG)	Domestic	Industrial
Daily Average	3.65	7.59
Monthly Total	113.3	227.81
Daily Peak	4.7	10.43
Effluent (MG)	Domestic	Industrial
Monthly Total	113.3	227.81
Combined	341.11	

Inflow Load (mg/L)	Domestic		
	Wk 1	Wk 2	Wk 3
BOD	15.5	21	10
TSS	17	22	15
pH	6.9	6.96	7.01
			Wk 4
			49
			22
			7.15

Inflow Load (mg/L)	Industrial		
	Wk 1	Wk 2	Wk 3
BOD	5.5	19	15
TSS	10	7	10
pH	7.01	7.08	7.1
			Wk 4
			6
			15
			7.05

Safety Topic	completed on 10/31/2016
Safety Audit	completed on 10/31/2016

**CITY OF TULARE, CALIFORNIA  
BOARD OF PUBLIC UTILITIES COMMISSIONERS  
AGENDA ITEM TRANSMITTAL SHEET**

**Submitting Department:** Public Works / Water Division

**For Board Meeting of:** November 17, 2016

**Documents Attached:** Ordinance Resolution Staff Report Other None

---

**AGENDA ITEM:**

Accept Water System Development Program update.

**IS PUBLIC HEARING REQUIRED:**  Yes  No

**BACKGROUND/EXPLANATION:**

At the June 16, 2016 Board of Public Utilities meeting, the Board asked for the milestones and updates on the Water System Development Program. Attached are the anticipated milestones for the project to date.

The updates from the last meeting are included and highlighted. Those updates include the award of bid for water well design to Cannon for 333 S. I Street and Carollo Engineers for 1258 N. J Street. Additionally, a pre-construction meeting was held on November 4, 2016 for the test wells with a start date scheduled for November 14, 2016.

**STAFF RECOMMENDATION:**

Accept Water System Development Program update.

**CITY ATTORNEY REVIEW/COMMENTS:** Yes No

**IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED:** Yes No

(If yes, please submit required budget appropriation request)

**Signed:** Trisha Whitfield

**Title:** Field Services Manager

**Date:** November 8, 2016

**City Manager Approval:** 

**Water System Development Program  
November 17, 2016**

**Water Storage Tanks**

Sites identified:

Site 1: Well 17  
July 21, 2016 Site 2: Closed session - real property negotiations for 1258 N. J Street.  
Site 3: potential property at Alpine Avenue

Design/Construction timeline:

June 28, 2016 CEQA for city projects published. 20 day review period  
July 12, 2016 RFP's for design of storage tanks published  
August 4, 2016 Responses to RFP due  
August 18, 2016 Award RFP at BPU meeting  
October 20, 2016 BPU approved design of two, 2.0 million gallon concrete storage tanks  
December 2016 Design review taken to the Planning Commission for both storage tank sites  
March 2017 Plans and Specifications completed  
April 2017 Construction documents out to bid  
May 2017 Begin construction of tanks

**Water Wells**

Sites identified:

June 2, 2016 Site 1: Board approved suitability agreement for 333 South I Street (Well 6).  
July 21, 2016 Site 2: Closed session - real property negotiations for 1258 N. J Street  
Site 3: potential property at Alpine Avenue

Design/Construction timeline:

June 28, 2016 CEQA for city projects published. 20 day review period  
July 27, 2016 Staff working with on-call Engineer to write specs for design-build wells  
August 2016 RFB for test wells published  
October 2016 RFP for design of water wells and hydrogeologists published  
October 20, 2016 Award RFB for test wells, design of water wells and hydrogeologist consulting services  
Award well design to Cannon for 333 S. I Street  
November 3, 2016 Award well design to Carollo Engineers for 1258 N. J Street  
November 4, 2016 Held pre-construction meeting for test wells  
November 14, 2016 Begin construction of test well #1 at 333 S. I Street. Estimated time frame - 6 weeks  
November 2016 Begin construction of two wells. Work to include: test wells & sampling, design of well construction, construction of the well(s), installation of pump & appurtenances

**State Grant - Matheny/Pratt MWC Consolidation**

Sites identified:

July 21, 2016 Well Site 1: Closed session - real property negotiations for 2508 W. Tulare.  
Property negotiations cancelled - Looking for new well site.  
Well 14: 12" pipe north to Matheny Tract  
October 6, 2016 Well Site 1: Closed session - real property negotiations for 820 Wright Way

Design/Construction timeline:

August 2016 Application for funding submitted to State  
January 2017 Complete application for funding (General, Technical, Environmental, & Financial)  
February 2017 Advertise RFP for design, plans & specifications  
April 2017 Award RFP for design, plans & specifications  
October 2017 Plans and Specifications completed  
November 2017 Construction documents out to bid  
January 2018 Begin construction of well site and pipeline  
October 2018 Construction complete

**CITY OF TULARE, CALIFORNIA  
BOARD OF PUBLIC UTILITIES COMMISSIONERS  
AGENDA ITEM TRANSMITTAL SHEET**

**Submitting Department: Engineering**

**For Board Meeting of: November 15, 2016**

**Documents Attached:**  Ordinance  Resolution  Staff Report  Other  None

***AGENDA ITEM:***

Adopt Resolution 16-19 revising the policy governing approval of water connections for new entitlements.

***IS PUBLIC HEARING REQUIRED:***  Yes  No

***BACKGROUND/EXPLANATION:***

Executive Summary

Due to capacity and delivery system improvements made to the City water system over the past two years, and progress made towards the construction of new wells and storage tanks, it is recommended that the existing City policy governing approval of new connections to the City water system be revised to grant approval authority to the Public Works Director, with direction to provide monthly reports to the Board regarding status of new connections and water system performance. The Public Works Director would also still retain the authority to deny new connection requests at any point on the basis of public health and safety concerns.

Background

In 2007, the City contracted with Carollo Engineers, Inc. (Carollo) to develop a Water System Master Plan. As part of the Master Plan project, Carollo developed a water distribution system hydraulic model that was used to conduct analysis of the distribution system's ability to provide adequate supply and pressure during average day, maximum day, peak hour, and fire flow conditions. The City, through a consulting agreement with Provost & Pritchard, requested that Carollo update the hydraulic model and perform an analysis of the performance of the City's water distribution system for existing conditions, and after 952 pending/approved residential development projects plus connection of the Pratt Mutual Water Company serving the Matheny Tract Service Area.

The findings of the Carollo Study were presented at the December 2014 joint session meeting of City Council, Board of Public Utilities (BPU) and Planning Commission, and were memorialized in a Technical Memorandum by Carollo dated January 2015. Carollo gave a presentation regarding the status of the City water system. The findings of study indicated that with completion of short-term improvements to the system, it would be capable of supporting 952 new connections resulting from pending /approved

residential development projects plus connection of the Pratt Mutual Water System. The short-term improvements identified included the following:

- Well 12 – Install new motor, refurbish, lowered, rebuild bowls
- Well 13 – Lowered 100 feet, complete rebuild, new motor, pump bowls, column, tube and shaft, electrical panel, pressure wash perforations
- Well 33 – New motor, rebuild pump bowls, pressure wash, patch break in casing
- Well 35 – Rebuild pump bowls, pressure wash
- Well 36 – Lowered 60 feet, patch break in casing, rebuild pump bowls, pressure wash, VFD installation
- Well 40 – Fabricated designed suction with 8 packers, pressure wash casing, replace motor, rebuild pump bowls, and repair 3 breaks in casing

The identified short-term improvements have been completed. Additionally, repairs were completed at the following well sites which improved their delivery capacity:

- Well 14 Emergency Repairs – Motor removed and sent to motor shop for rewind and bearings, reinstallation of motor
- Well 11 Emergency Repairs – Pump and motor failure, rebuild pump bowls, install new motor, repair break in casing, pressure wash casing.
- Well 34 Emergency Repairs – Pump bowl assembly rebuilt, break in casing repaired.

It is estimated that completion of the short-term improvements and repairs listed above resulted in a net capacity increase of 3 MGD to the system.

Following the December 2014 joint session meeting, staff was directed to require hydraulic modeling and analysis for all new entitlement requests submitted to the City of Tulare resulting in new connections to the water system. The purpose was to identify project impacts to the system and recommended mitigation measures. Initially, applicants were required to pay fees of approximately \$5,000 to cover the costs for the City to have Carollo perform a hydraulic model analysis of the connection requests. In addition to the high cost to the Applicant, staff recognized that the Carollo analysis had significant limitations. It did not reflect the cumulative impact of prior approved projects, and was not capable of forecasting incremental impacts to system performance over the multi-year project delivery schedule of a typical development project. In light of this, the Board approved Resolution No. 15-19 on November 5, 2015 establishing a Water Connection Authorization Process. The intent was to provide a process for “approving new connections to the City water system in a manner that safeguards the City’s ability to meet demands of existing users, and protects public health and safety” that could be administered internally by City staff. Unfortunately, the process of reviewing and approving new connection requests has proven to be onerous and contentious, pitting BPU’s charge to protect the City water system against Council’s stated desire to keep the door open to new development projects as much as possible. Additionally, even with one-year limitations being placed on new connection approvals, a backlog of approved yet inactive connection requests has resulted in shovel-ready projects being unable to move forward.

The project to connect the Pratt Mutual Water Company has been completed resulting in 332 new connections to the City water system. In addition, since December 2014, 506 of the anticipated 952 new connections resulting from approved/pending development projects have been completed, which is a rate of approximately 20 connections per month. At that rate of new physical connections, it can be anticipated that we won't reach the 952 connection limit until July 2018.

On August 18, 2016, the Board awarded a contract for the design of up to three water storage tanks. At the October 20, 2016, the Board provided direction to proceed with the design of two concrete storage tanks with capacities of 2 million gallons apiece. At that same meeting, the Board awarded contracts for the construction of test wells and hydrogeological investigations on up to 10 potential well sites. A contract for the design of one new well site was also awarded. On November 1, 2016, the Board approved a contract for the design of a second well site.

The project delivery schedules for the above referenced projects anticipate completion of the two water storage tanks by April 2018, and completion of two wells by March 2018. Since completion of the two wells and two storage tanks is anticipated in advance of the projected July 2018 date of completion of the 952 new connections, it is the opinion of staff that the current new connection approval process is no longer necessary and should be eliminated. Authorization for new connections to the City water system could revert back to the Public Works Director, as was the case prior to the December 2014 joint study session. Staff would continue to provide the Board with monthly updates on the performance of the water system, number of new connections made, and updates on the well and storage tank project schedules. The policy could be revisited should project delivery schedules experience delay, the number or characterization of new connections vary from expectations, or water system performance measures indicate concerns with the system's ability to meet demand.

**STAFF RECOMMENDATION:**

Adopt Resolution 16-19 revising the policy governing approval of water connections for new entitlements.

**CITY ATTORNEY REVIEW/COMMENTS:**  Yes  No

**IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED:**  Yes  No

Signed: Michael Miller

Title: City Engineer

Date: November 7, 2016

City Manager Approval: 

# Existing

	<b>Development Services Department and Public Works Department</b>	
Policy Title:	Water Connection Authorization Process	Agreed to Recommend:
B.P.U.:	Adopted by Resolution No. 15-10	Dated: 11/05/15

## Policy Purpose

To establish a process for approving new connections to the City water system in a manner that safeguards the City's ability to meet the demands of existing users, and protects public health and safety.

## Other Related Policies

This Policy is supplemented by the following:

- Municipal Code Section 7.10 – Groundwater Overdraft Mitigation
- Municipal Code Section 8.60 - Benefit Districts
- Municipal Code Section 8.64 – Oversized Construction Reimbursement
- Admin. Policy 14-01 - Tulare Project Management System

## Definitions:

“Application” means an Application For New Water Service Connection.

“Authorizing Bodies” means the City of Tulare City Council and the Board of Public Utilities.

“BPU” means the City of Tulare Board of Public Utilities created pursuant to the City of Tulare Charter, which is the body that approves Utility Enterprise Project Budgets.

“Firm Supply” means the capacity provided by all City wells not intended for pending abandonment less total system loss, which includes factors for both leakage and reserve capacity.

“expectation,” “projection,” “anticipated,” “estimated,” or similar words denoting a lack of certainty and dependence on the fulfilment of assumptions about future events or conditions.

“Maximum Daily Demand” means the largest volume of water delivered through the system in a single day expressed in million gallons per day (mgd). The water supply and distribution system should be designed to accommodate the maximum daily demand.

“Minimum Peak Hour Pressure” means the minimum standard for pressure established by the BPU through this policy that shall be maintained at all locations in the City water system during the peak hour of demand.

“New Water Connection” means any proposed connection to the City municipal water system required to serve or support a proposed private development project.

“Peak Hour Pressure” means the minimum pressure measured at any point in the City water system during the peak hour of demand.

“Reserve Capacity” is defined as 25% of the City’s active well delivery capacity held in reserve to protect against capacity loss due to regularly scheduled maintenance of the water system, or unforeseen circumstances.

“Total Estimated Demand” means the capacity expressed in terms of million gallons per day (mgd) that the City water system must provide to its customers, and shall be based upon the maximum daily demand identified in the most recent hydraulic model analysis of the City water system adjusted for changes in circumstances.

“Total System Loss” means the combined loss of the City water system’s supply capacity due to leakage and “reserve capacity” as elsewhere defined herein.

“Well Delivery Capacity” means the capacity expressed in terms of million gallons per day (mgd) that the City’s active well system is capable of delivering, and shall be based upon actual well performance data maintained by the City.

1) Application Process.

Applicants requesting new connection(s) to the City water system shall complete an Application and submit it to the Development Services Department for review. Applications will be processed as follows:

- a) Intake. Applicant submits completed Application to the Development Services Department and pays applicable fees.
- b) Initial Application Review. The Development Services Department shall review the Application for completeness. If determined to be complete, processing continues to the Evaluation Process; else the Application is returned to the Applicant.
- c) Information Required. A completed Application requires sufficient information for the City to evaluate the anticipated impacts to the City water system should the requested connection(s) be approved. This information submitted shall include a project description explaining the need for the connection request, the total number of connections requested, the location and land use(s) associated with each requested connection (i.e., SFR, MFR, COM, IND), connection size and type (i.e., 1” metered domestic service, 2” metered landscaping service, 6” fire service, etc.), acreage to be served by each requested connection, and an estimate of total water demand expressed as both gallons per minute (gpm) and million gallons per day (mgd) prepared by a registered civil engineer or licensed architect. Any proposed improvements to the City water system intended to mitigate the project’s impacts shall also be clearly identified with supporting design calculations prepared by a registered civil engineer. The Public Works Director and City Engineer will evaluate and determine whether the estimates and supporting documentation provided are reasonable.

2) Evaluation Process.

Within 30 days of receipt of a complete application, the City Public Works Department and Development Services Department staff shall complete an evaluation process that will provide the Board of Public Utilities (BPU) with information to provide a basis for their determinations regarding the request for new connections. The evaluation criteria and basis for information to be provided shall include the following:

- a) Maximum Daily Demand – New connection requests will be evaluated with regard to the City water system’s ability to accommodate the maximum daily demand. Staff will prepare an analysis of the total estimated firm supply capacity of the City water system versus the total estimated demand on the system for “existing conditions” and “plus project” scenarios, both as of the date of the application request and the latest anticipated date that new project connections would be made to the City’s system (maximum of two years from date of connection approval). The analysis will be expressed in terms of million gallons per day (mgd). The standard used for total estimated demand shall be the maximum daily demand based on the City’s most recent formal hydraulic model run and adjusted for known changes in circumstances.

For the “plus project” scenario, staff will incorporate the estimated water demand for the requested new connection(s) to arrive at an adjusted total estimated demand that will be used as the basis for evaluating project impacts.

City staff will develop findings regarding the water system’s anticipated capacity to provide sufficient firm supply to meet the maximum daily demand should the request for new connection(s) be approved. Staff will endeavor to take into account all known future circumstances, including:

- previously approved connection requests,
- anticipated improvements to the water system including any proposed project mitigation improvements, and
- State-mandated drought or sustainability related restrictions.

- b) System Pressure Analysis – New connection requests will be evaluated with regard to the City water system’s ability to maintain a minimum peak hour pressure of 30 p.s.i. as measured at any location within the system. The City maintains monthly records of pressure readings at all active well sites. Additionally, pressure readings are collected at various locations within the system in conjunction with hydraulic model calibrations. When evaluating a new connection request, staff will prepare an analysis of existing minimum peak hour pressures in the City water system and how they compare to the minimum standard. The Public Works Director shall make a finding as to whether the new connection request can be accommodated without jeopardizing the City’s ability to meet the minimum standard, both at the time of connection approval and at the latest anticipated date that new project connections would be made to the City’s system (maximum of two years from date of connection approval).

3) Approval Process.

Once the evaluation process is complete, City staff shall bring the request for new connections to the City water system to the BPU for their consideration. The BPU shall receive the information and subsequent findings and recommendations developed by City staff through the evaluation process, and shall determine whether or not to approve the requested connections, or some portion thereof, subject to completion of identified project mitigation improvements and the following conditions of approval:

- a) BPU conditional approvals will be limited to two years, at which time the development is expected to be completed. Any uncompleted connections as of that date shall be subject to re-approval by the BPU using the policy methodology.
- b) Before the first building permit resulting in a new connection is issued, the Public Works Director shall confirm the following:
  - a. that the City water system's firm supply capacity has not significantly decreased from the date of conditional approval,
  - b. that the conditionally approved connections will not cause water pressure to drop below City standards at any location in the City solely because of connecting the projects,
  - c. that the total estimated demand on the water system is still less than or equal to the estimated firm supply capacity minus reserve capacity, and
  - d. that based on the first three assessments, the conditionally approved connections will not put public health and safety at risk.

## RESOLUTION 16-19

### A RESOLUTION OF THE BOARD OF PUBLIC UTILITIES OF THE CITY OF TULARE REVISING THE POLICY GOVERNING APPROVAL OF WATER CONNECTIONS FOR NEW ENTITLEMENTS

**WHEREAS**, prior hydraulic modeling studies of the City of Tulare water system prepared by Carollo Engineering, Inc. identified significant deficiencies in the system's ability to consistently meet demand requirements and maintain recommended minimum pressures during peak hour conditions; and

**WHEREAS**, based upon analysis of said hydraulic modeling studies, it was determined that the City water system possessed the necessary capacity to accommodate connection of the Pratt Mutual Water System and 952 new connections associated with pending/approved development projects; and

**WHEREAS**, in December 2014 at a joint session of the City Council, Board of Public Utilities and Planning Commission, City staff was directed to require hydraulic modeling and analysis for all new entitlement requests submitted to the City of Tulare resulting in new connections to the City water system for the purpose of identifying project impacts to the system and recommended mitigation measures; and,

**WHEREAS**, the Board of Public Utilities subsequently adopted Resolution 15-10 on November 5, 2015 approving the City of Tulare Policy Governing Approval of Water Connections For New Entitlements; and,

**WHEREAS**, since December 2014, connection of the Pratt Mutual Water System to the City water system has been completed, along with an additional 494 new connections associated with pending/approved development projects at a rate of approximately 23 connections per month; and

**WHEREAS**, at the average rate of new water connection experienced since December 2014, the City is expected to reach the aforementioned total of 952 new connections associated with pending/approved development projects in May 2018; and

**WHEREAS**, the Board of Public Utilities has recently awarded various contracts for well and water storage tank site evaluations and subsequent design of said facilities which will result in a significant increase to system delivery capacity; and

**WHEREAS**, project delivery schedules indicate that completion of two new 2-million gallon storage tanks and two new municipal water wells will be completed in advance of the anticipated May 2018 date when 952 new connections for pending/approved development projects is reached; and

**WHEREAS**, based upon the rate of new connections and the project delivery schedules for major capacity increasing improvements to the City water system, the current City of Tulare Policy Governing Approval of Water Connections For New Entitlements, which requires significant staff resources, can be revised to return new connection approval authority to the Public Works Director with provisions for continued regular reporting of system performance to the Board.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Public Utilities of the City of Tulare that:

1. By adoption of Resolution 16-19 the Tulare City Board of Public Utilities approves a revised City of Tulare Policy Governing Approval Of Water Connections For New Entitlements attached hereto.

**PASSED, ADOPTED AND APPROVED** this 17<sup>th</sup> day of November, 2016

\_\_\_\_\_  
President of the Board of Public Utilities  
of the City of Tulare

ATTEST:

STATE OF CALIFORNIA )  
COUNTY OF TULARE ) ss.  
CITY OF TULARE )

I, Paul Melikian, Interim City Manager/City Clerk of the City of Tulare, certify the foregoing is the full and true Resolution 16-19 passed and adopted by the Board of Public Utilities of the City of Tulare at a regular meeting held on November 17, 2016, by the following vote:

Aye(s) \_\_\_\_\_

Noe(s) \_\_\_\_\_ Absent/Abstention(s) \_\_\_\_\_

Dated: PAUL MELIKIAN, Interim City Manager/City Clerk

By Shonna Oneal, Deputy City Clerk

# Proposed

	<b>Development Services Department and Public Works Department</b>	
Policy Title:	<b>Revised Water Connection Authorization Process</b>	Agreed to Recommend:
B.P.U.:	Adopted by Resolution No. 16-	Dated: 11/17/16

## Policy Purpose

To establish a process for approving new connections to the City water system in a manner that safeguards the City's ability to meet the demands of existing users, and protects public health and safety.

## Other Related Policies

This Policy is supplemented by the following:

- Municipal Code Section 7.10 – Groundwater Overdraft Mitigation
- Municipal Code Section 8.60 - Benefit Districts
- Municipal Code Section 8.64 – Oversized Construction Reimbursement
- Admin. Policy 14-01 - Tulare Project Management System

## Definitions:

“Maximum Daily Demand” means the largest volume of water delivered through the system in a single day expressed in million gallons per day (mgd) in the twelve months prior to any approval requested under this policy. The water supply and distribution system should be designed to accommodate the maximum daily demand.

“Minimum Peak Hour Pressure” means the minimum standard for pressure established by the BPU through this policy that shall be maintained at all locations in the City water system during the peak hour of demand.

“New Water Connection” means any proposed connection to the City municipal water system required to serve or support a proposed private development project.

“Peak Hour Minimum Pressure” means the actual lowest pressure measured at any point in the City water system during the peak hour of demand.

“System Capacity Loss” means that supply capacity lost due to leakage in the system or outages related to the City's municipal well and storage tank facilities.

“Total System Capacity” means the combined capacity provided the City's municipal well system and water storage tanks.

“Total System Loss” means the combined loss of the City water system’s supply capacity due to leakage and “reserve capacity” as elsewhere defined herein.

I) Application Process.

New connection requests will be processed in conjunction with project application submittals to the Development Services Department. As part of the review of project applications routed to the Public Works Department for review and comment, the Public Works Director shall evaluate the City water system’s ability to accommodate new connections associated with the project while maintaining a Minimum Peak Hour Pressure of 30 PSI as measured at any location in the system.

The Project Applicant shall be required to provide sufficient information for the City to evaluate the anticipated impacts to the City water system should the requested connection(s) be approved. This information submitted shall include a project description explaining the need for the connection request, the total number of connections requested, the location and land use(s) associated with each requested connection (i.e., SFR, MFR, COM, IND), connection size and type (i.e., 1” metered domestic service, 2” metered landscaping service, 6” fire service, etc.), acreage to be served by each requested connection, and an estimate of total water demand expressed as both gallons per minute (GPM) and million gallons per day (MGD) prepared by a registered civil engineer or licensed architect. Any proposed improvements to the City water system intended to mitigate the project’s impacts shall also be clearly identified with supporting design calculations prepared and certified by a registered civil engineer. The Public Works Director and City Engineer will evaluate and determine whether the estimates and supporting documentation provided are reasonable.

II) Reporting to the Board of Public Utilities.

The Public Works Director shall provide monthly reports to the Board identifying the following:

1. System Performance – monthly breakdown
  - o Total System Delivery Capacity (MGD)
  - o System Capacity Loss (MGD)
  - o New Connections Added – new connections added, cumulative total of new connections added since December 2014, remaining number of 952 available new connections.
  - o Monthly Total Demand (MGD)
  - o Peak Hour Demand (MGD)
  - o Average Max Day Pressure (PSI)
  - o Peak Hour Minimum Pressure (PSI)

Annually, the Public Works Director shall arrange for updates to the hydraulic model of the City’s water system resulting in a report evaluating the capacity and overall health of the system, and identifying concerns and recommended improvements. The annual report will be provided to the Board, and a presentation of its findings given at one of its regularly scheduled meetings.

AGENDA ITEM: Gen. Bus. 2

CITY OF TULARE, CALIFORNIA  
BOARD OF PUBLIC UTILITIES COMMISSIONERS  
AGENDA ITEM TRANSMITTAL SHEET

Submitting Department: Public Works / Solid Waste – Residential/Commercial

For Board Meeting of: November 17, 2016

Documents Attached:  Ordinance  Resolution  Staff Report  Other  None

**AGENDA ITEM:**

Award the purchase of four (4) replacement automated side loader and two (2) replacement front loader refuse trucks with the Bridgeport body style to Central Valley Truck Center in the amount of \$1,551,582.40, including tax and license.

**IS PUBLIC HEARING REQUIRED:**  Yes  No

**BACKGROUND/EXPLANATION:**

On September 15, 2016 the Board of Public Utilities accepted a Congestion Management and Air Quality Improvement (CMAQ) grant in the amount of \$1,646,000 for the purchase of six new Solid Waste trucks. The Board also approved up to \$214,000 in matching funds to be paid from the Solid Waste Fleet Replacement fund.

On September 27, 2016 four side loader and two front loader refuse trucks were advertised as Bid No. 17-604 and bids were opened on October 27, 2016. The following bids were received:

<u>Company</u>	<u>Location</u>	<u>Body Type</u>	<u>Amount</u>
Central Valley Truck Center	Fresno	Bridgeport	\$1,551,582.40
E.M. Tharp	Porterville	Bridgeport	\$1,598,204.18
T E C of California	Oakland	Bridgeport	\$1,685,111.08

All bids included diesel engines, but varied in the cab and chassis type bid. Central Valley Truck Center and T E C of California bid Mack Trucks, which has their own brand of engine, transmission, axels, suspension, parts, etc. and their own factory warranty station in Fresno. Although the City does not currently have any Mack trucks in the refuse fleet, the Mack trucks did meet and/or satisfy all bid specifications. E.M. Tharp bid Peterbilt trucks which we currently have in the refuse fleet and has a factory warranty station in Porterville. All three companies bid the Bridgeport body. The Bridgeport body met all bid specifications and their factory warranty station is in Visalia.

This equipment purchase is funded in part by the CMAQ Program grant implemented through Caltrans. Through this grant funding, Caltrans funds 88.53% of the purchase

price of the trucks and the City is required to pay the other 11.47% grant match. This is a reimbursement grant program, and Caltrans reimbursement amount to the city will be \$1,373,615.90, making the City's actual contribution amount for the 6 refuse trucks as \$177,966.50.

Staff is recommending the award of bid No 17-604 to Central Valley Truck Center for the purchase of 4 side loader and 2 front loader refuse trucks with the Mack can and chassis and Bridgeport bodies, to Central Valley Truck as the lowest responsive bidder, meeting and/or satisfying the bid specification requirements. The six refuse trucks are included in the 2016/2017 budget and the proposal is within the budgeted amount of \$1,800,000.00.

**STAFF RECOMMENDATION:**

Award the purchase of four (4) replacement automated side loader and two (2) replacement front loader refuse trucks with the Bridgeport body style to Central Valley Truck Center in the amount of \$1,551,582.40, including tax and license.

**CITY ATTORNEY REVIEW/COMMENTS:**  Yes  No  N/A

**IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED:**  Yes  No  N/A

**FUNDING SOURCE/ACCOUNT NUMBER:**

Fleet Control Account - 604-4604-7726

**Signed: Frank Rodriguez**

**Title: Solid Waste Manager**

**Date: November 9, 2016**

**City Manager Approval:** 

# City of Tulare

Bid 17-604 Solid Waste Refuse Trucks  
Thursday, October 27, 2016 - 2:00 p.m.

	NAME OF COMPANY	CITY	AMOUNT
1	Central Valley Truck Center	FRESNO, CA	\$ 1,551,582.40
2	TBC OF CALIFORNIA, INC.	OAKLAND, CA	\$ 1,685,111.08
3	E. M. PHAM, INC.	ROSEMEAD, CA	\$ 1,598,204.18
4			\$
5			\$
6			\$
7			\$
8			\$
9			\$
10			\$
11			\$
12			\$
13			\$
14			\$

ATTESTED AND OPENED BY: Shirley Neal  
Chief Deputy City Clerk

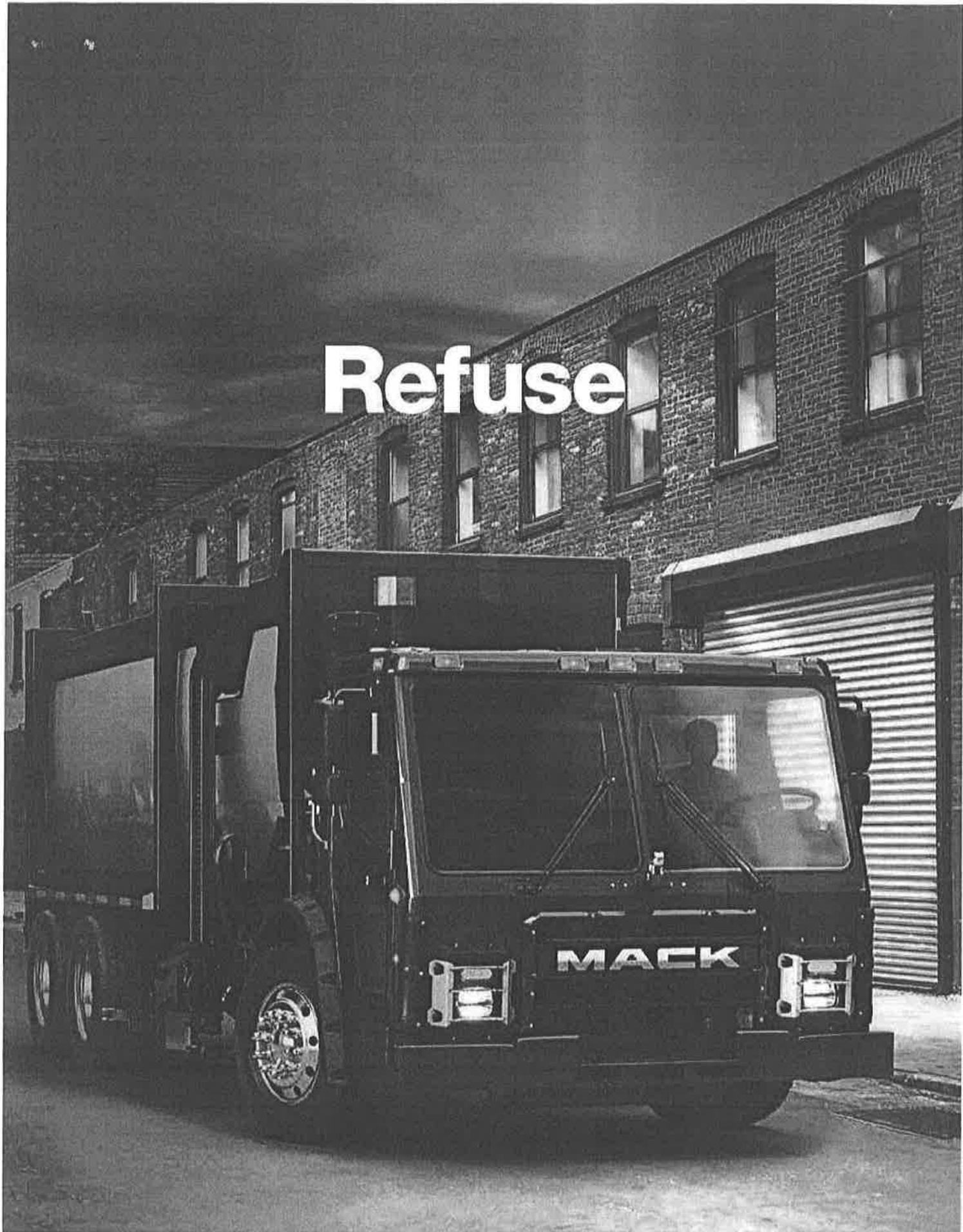


RECORDED BY: [Signature]

WITNESS: [Signature]

Note: Bids/RFP's are subject to review and verification.

**Refuse**



# See how Mack stacks up.



Compare	Mack	Other
Engines tuned for on- and off-highway, high horsepower, torque, and low fuel consumption	✓	✗
Rear axle with unique top-mounted carrier for a longer lifespan and superior ground clearance	✓	✗
Automatic power divider that diverts up to 75% of power to the wheels that are not slipping	✓	✗
Front axle with 135mm thick cross section for high gross weights	✓	✗
Low floor and step height for safe and easy transition in and out of the cab <sup>1</sup>	✓	✗
Parabolic spring suspensions with high ground clearance, traction, and 15" of cross articulation	✓	✗
"Right sized" steel cabs with short bumper-to-back-of-cab dimensions for getting in and out of tight spaces	✓	✗
Best-in-class forward and side visibility	✓	✗
mDRIVE™ HD transmission shifts for you and saves weight and fuel <sup>2</sup>	✓	✗
GuardDog® Connect proactively monitors engine performance and alerts when there is a potential problem <sup>1</sup>	✓	✗
Durable chassis frame with high-yield steel and formed steel plate crossmembers	✓	✗

Available in: LR and Granite<sup>3</sup>; Granite<sup>4</sup>; Granite and TerraPro<sup>5</sup>

AGENDA ITEM: Gen. Bus. 3

**CITY OF TULARE, CALIFORNIA  
BOARD OF PUBLIC UTILITIES COMMISSIONERS  
AGENDA ITEM TRANSMITTAL SHEET**

**Submitting Department: Public Works / Solid Waste – Residential Division**

**For Board Meeting of: November 17, 2016**

**Documents Attached:**  Ordinance  Resolution  Staff Report  Other  None

**AGENDA ITEM:**

Award Bid No. 17-605 to Will Tiesiera Ford for the purchase of one Landscape Dump Body Truck in the amount of \$69,625.85.

**IS PUBLIC HEARING REQUIRED:**  Yes  No

**BACKGROUND/EXPLANATION:**

For the 2016 / 2017 budget year the Solid Waste Division requested and was approved to purchase of one replacement dump body truck in the amount of \$75,000 from the Fleet Control Budget (FCB) to replace unit #5520.

Bid No. 17-605 for one Landscape Dump Body Truck was sent to seven vendors (see attached Bidders List). Only one bid was received from Will Tiesiera Ford in Tulare, California. The bid for the desired truck came in under the \$75,000 funds allocated by the FCB.

<u>Company</u>	<u>Location</u>	<u>Body Type</u>	<u>Amount</u>
Will Tiesiera Ford	Tulare	Scelzi Landscape Dump Body	\$69,625.85

The bid was in compliance with the bid specifications and met the condition of the City's purchasing policy.

**STAFF RECOMMENDATION:**

Award Bid No. 17-605 to Will Tiesiera Ford for the purchase of one Landscape Dump Body Truck in the amount of \$69,625.85.

**CITY ATTORNEY REVIEW/COMMENTS:**  Yes  No  N/A

**IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED:**  Yes  No  N/A

**FUNDING SOURCE/ACCOUNT NUMBER:**

**Signed: Frank Rodriguez**

**Title: Solid Waste Manager**

**Date: November 7, 2016**

**City Manager Approval:** 

## BIDDERS LIST

**Scelzi Enterprises, Inc**  
Attention: Glen Carpenter  
2286 E. Date Street  
Fresno, CA 93706  
Toll Free 1-800-858-2883  
Local 559-237-5541  
Fax 559-237-5554  
Email: [glennnc@seinc.com](mailto:glennnc@seinc.com)

**Will Tiesiera Ford**  
Attention: Bruce Baren  
2101 E. Cross Ave.  
Tulare, CA 93274  
888-549-7656  
Email: [bruce@willtiesieraford.com](mailto:bruce@willtiesieraford.com)

**McLellan Equipment**  
David Muncy  
13221 Crown Avenue  
Hanford, CA 93230  
1-559-582-8100  
1-800-445-8449  
Fax: 559-582-8155  
Email: [muncy@mclellan-ind.com](mailto:muncy@mclellan-ind.com)

**Douglas Truck Bodies**  
231 21<sup>st</sup> Street  
Bakersfield, CA. 93301  
Toll Free: 1-800-635-7641  
Fax: 1-661-327-3894

**Visalia Ford**  
1300 East Mineral King  
Visalia, CA 93291

**Porterville Ford**  
701 N Main Street  
Porterville, CA 93257

**Monarch Ford**  
132 North D Street  
Exeter , CA 93221

# City of Tulare

Bid 17-605 Landscape Dump Truck Body  
 Thursday, October 27, 2016 - 2:15 p.m.

	NAME OF COMPANY	CITY	AMOUNT
1	WILL TREISBER FOND	TULARE, CA	\$ 69,625.85
2			\$
3			\$
4			\$
5			\$
6			\$
7			\$
8			\$
9			\$
10			\$
11			\$
12			\$
13			\$
14			\$

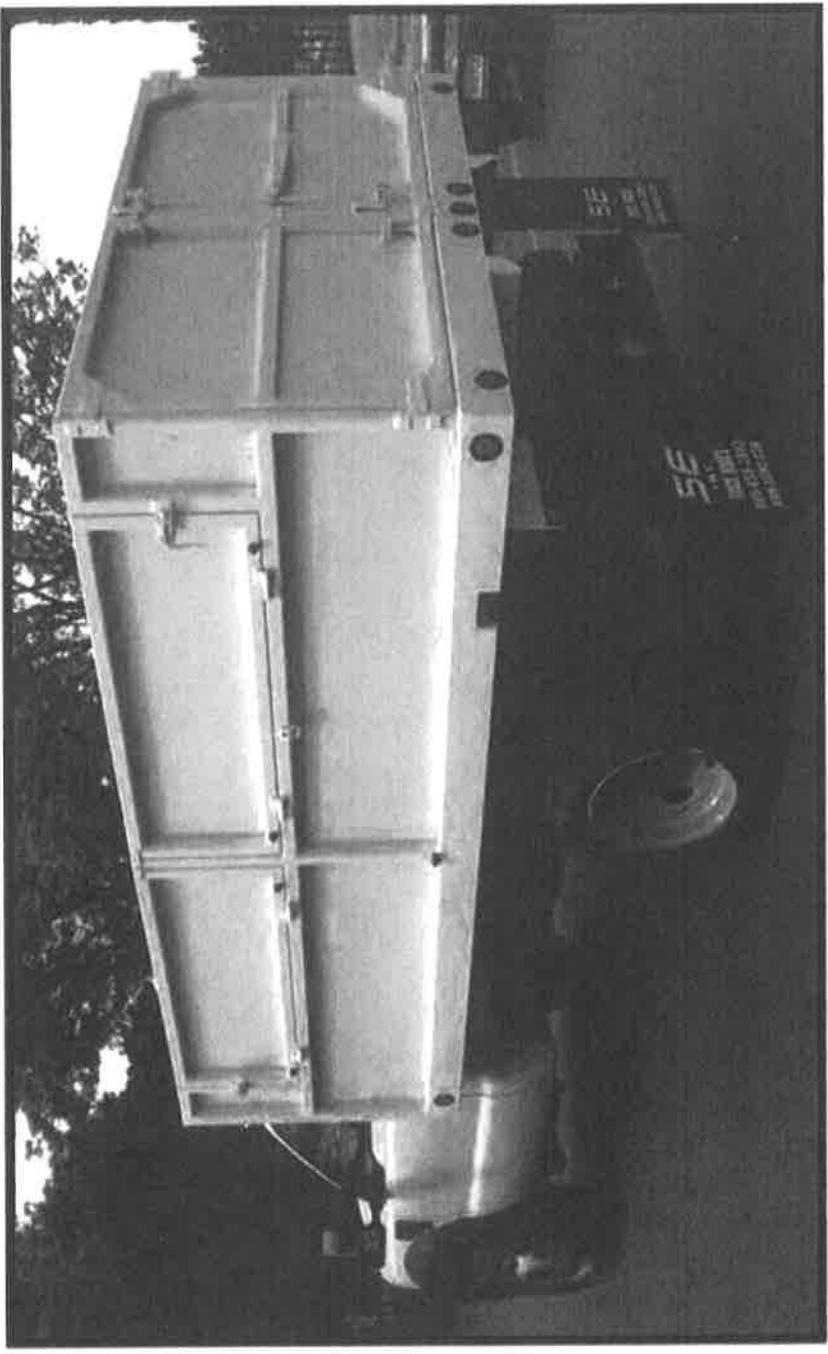
ATTESTED AND OPENED BY: *[Signature]*  
 Chief Deputy City Clerk

RECORDED BY: *[Signature]*



WITNESS: *[Signature]*

Note: Bids/RFP's are subject to review and verification.





CITY OF TULARE, CALIFORNIA  
BOARD OF PUBLIC UTILITIES COMMISSIONERS  
AGENDA ITEM TRANSMITTAL SHEET

Submitting Department: Public Works – Wastewater Treatment Plant

For Board Meeting of: November 17, 2016

Documents Attached:  Ordinance  Resolution  Staff Report  Other  None

**AGENDA ITEM:**

Award a three (3) year contract with two (2) one (1) year extension options for dewatering polymer to Polydyne, Inc. of Riceboro, Georgia for the unit price amount of \$0.848/lb., subject only to minor conforming or clarifying changes acceptable to the City Attorney; and authorize the City Manager, or designee, to execute the contract.

**IS PUBLIC HEARING REQUIRED:**  Yes  No

**BACKGROUND/EXPLANATION:**

Award/Background

City staff advertised a Request for Proposals (RFP) in October 2016 for a vendor to enter into a supply contract to provide dewatering polymer (polymer) at a set price, for a term of three (3) years with two (2) one (1) year extensions. Proposals were received from the following proposers:

Proposer

Polydyne, Inc.  
Argo Chemical, Inc.  
Solenis, LLC  
Univar USA, Inc.  
Sterling Water Technologies, LLC

Location

Riceboro, GA  
Bakersfield, CA  
Wilmington, DE  
Kent, WA  
Columbia, TN

Univar USA, LLC and Sterling Water Technologies, LLC both submitted 'Decline to Bid' letters, and the remaining three proposers submitted proposals and performed technical evaluations of their product in conformity with the RFP. The Public Works Director, Wastewater Treatment Operations Manager and Management Analyst reviewed and scored the proposal submissions and technical evaluations. Staff determined that the best overall proposal, technical performance and price was submitted by Polydyne, Inc. of Riceboro, GA.

//  
//  
//

## Analysis

<u>Polymer Expense</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>Annual Average</u>
Contract Estimate- \$144,160	\$283,075	\$176,189	\$436,140	\$298,468
Estimated \$ Savings	\$138,915	\$32,029	\$291,980	\$154,308
Estimated % Savings	49%	18%	67%	52%

<u>Price period</u>	<u>\$/lb price</u>	<u>Vendor</u>
April 2016	1.62	A
October 2016	1.847	B
Winning Proposal	0.848	Polydyne, Inc.

Across FY 2014 through 2016 the City averaged just under \$300,000 annually in polymer purchases. During that time, WWTP staff made adjustments to operations and processes to reduce the usage of polymer. Recent invoices prior to distributing the RFP have identified a per pound price of \$1.62 in April and \$1.847 in October. The selected proposal has a per gallon price of \$0.848, a reduction of 48% over April and 54% over the recent October price. Staff identified in the RFP a very conservative estimated use of 20,000 gallons annually, but are not held responsible if less product is utilized. Using that estimate, the pricing offered by Polydyne, Inc. of \$0.848/lb will result in polymer purchasing of \$144,160, excluding tax and with shipping included.

Prior to this RFP, polymer purchasing has been done outside of a contract. This contract will ensure that polymer purchasing is in conformity with the adopted City Purchasing Policy page 13 sections 4A) *Annual and Multi-Year Contracts* and 4B) *Unit-Based Pricing Contracts*.

*4A) "When economically advantageous, ordered materials and services may be procured through the use of annual or multi-year contracts. These contracts must include terms which specify conditions of renewal each year for the duration of the contract. An annual review will be made by the Purchasing Officer to determine if the contract will be renewed."*

*4B) "In the case of material purchase contracts, unit based pricing may be utilized. Purchasing thresholds follow the same purchasing guidelines as outlined in the purchasing categories in this document. Unit based pricing contracts may be annual or Multi-year contracts and may be used across the entire organization. The Authorized Department Purchaser making a purchase using a unit-based pricing contract must certify that there exists an adequate unencumbered balanced of the appropriated budget. Unit based contracts can be used for capital projects as well as day-to-day operations."*

## Conclusion

The award of this contract to Polydyne, Inc. will reduce the unit cost of polymer and introduce significant savings to the City. Further operational improvements in the future

will further reduce polymer gross polymer expenditures. This contract will stabilize this cost and bring polymer purchases into conformity with the City purchasing policy.

**STAFF RECOMMENDATION:**

Award a three (3) year contract with two (2) one (1) year extension options for dewatering polymer to Polydyne, Inc. of Riceboro, Georgia for the unit price amount of \$0.848/lb., subject only to minor conforming or clarifying changes acceptable to the City Attorney; and authorize the City Manager, or designee, to execute the contract.

**CITY ATTORNEY REVIEW/COMMENTS:**  Yes  No  N/A

**IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED:**  Yes  No  N/A

**FUNDING SOURCE/ACCOUNT NUMBER:**

015-4653-2018 – Contractual Maintenance

**Signed:** Josh Rogers

**Title:** WWTP Operations Manager

**Date:** November 17, 2016

**City Manager Approval:** 

# SUPPLYING and DELIVERING DEWATERING POLYMER MATERIALS TO CITY OF TULARE

This Agreement, entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2016, by and between the City of Tulare, hereinafter referred to as the "CITY," and \_\_\_\_\_ hereinafter referred to as the "MATERIAL SUPPLIER."

## W I T N E S S E T H

**WHEREAS**, the CITY is authorized and empowered to employ Material Suppliers and specialists in the performance of its duties and functions; and

**WHEREAS**, the CITY has the desire to secure certain technical and professional services to assist in the preparation and completion of the items of work described as "Scope of Work" in Exhibit "A", and hereinafter referred to as the "PROJECT"; and

**WHEREAS**, the MATERIAL SUPPLIER represents it is licensed, qualified and willing to provide such services pursuant to terms and conditions of this Agreement.

**NOW, THEREFORE**, CITY and MATERIAL SUPPLIER agree as follows

### I) **SERVICES TO BE PERFORMED BY THE MATERIAL SUPPLIER**

- A. **Authorized Scope of Work:** The MATERIALS SUPPLIER agrees to perform all work necessary to complete in a manner satisfactory to the CITY those tasks described in Exhibit "A" – Scope of Work, for the cost identified in Exhibit "B" – Project Fees.
- B. **Additional Services:** Incidental work related to the PROJECT and not provided for in Exhibit "A" – Scope of Services. The MATERIALS SUPPLIER agrees to provide any and all additional services at the rates identified in attached Exhibit "B" – Schedule of Fees for Professional Services. Such additional services shall not be performed by MATERIAL SUPPLIER without the written consent of CITY.

### II) **TIME OF PERFORMANCE**

The term of this Agreement shall commence on the Effective Date and expire upon completion of all obligations of the parties, unless earlier terminated by the parties. The initial contract shall be for a thirty-six (36) month period and shall, at the City's option and upon mutually agreeable terms, be renewed annually thereafter for two (2) consecutive one-year periods. Additionally, this Agreement may be terminated for convenience. In the event of termination or expiration of this Agreement, CONTRACTOR shall transfer to CITY any funds and/or accounts receivable on hand attributable to the use of CITY funds.

### III) **COMPENSATION**

- A. **Total Compensation:** For services performed pursuant to this Agreement, the CITY agrees to pay and the MATERIALS SUPPLIER agrees to accept, the rates established in Exhibit "A" – Scope of Work for the cost identified in Exhibit "B." These amounts shall constitute complete compensation, including document production and out-of-pocket expenses for all services for the work and PROJECT identified in Exhibits "A" and "B".
- B. **Payment of Compensation:** The MATERIALS SUPPLIER shall be compensated according to the billing invoice submitted by the MATERIALS SUPPLIER and approved by the CITY as per schedule "B" and "C" and processed within thirty (30) days by the Finance Department. The MATERIAL SUPPLIER shall be paid no

later than thirty (30) days following submission of a written, verified billing to the CITY. Said billing shall include the percentage of each task completed to date and since the date of the preceding billing, if any.

**IV) AUTHORIZED REPRESENTATIVE**

- A. **CITY:** The Wastewater Treatment Plant Operations Manager shall represent the CITY in all matters pertaining to the services to be rendered under this Agreement, except where approval of the City Council of the City of Tulare is specifically required.
- B. **MATERIALS SUPPLIER:** Polydyne, Inc. shall represent and act as principle for MATERIALS SUPPLIER in all matters pertaining to the services to be rendered by it under this Agreement.

**V) TERMINATION**

The right to terminate this Agreement, with or without cause, may be exercised without prejudices to any other right or remedy to which the terminating party may be entitled at law or under this Agreement.

- A. **Termination by Either Party without Cause:** The CITY or MATERIALS SUPPLIER may terminate this Agreement at any time by giving written notice to the other of such termination and specifying the effective date thereof, at least fifteen (15) days before the effective date of such termination.
- B. **Termination of Agreement for Cause:** The CITY may by written notice to the MATERIALS SUPPLIER specifying the effective date thereof, at least fifteen (15) days before the effective date of such termination, terminate the whole or any part of this Agreement in any of the following circumstances:
  - 1. If the MATERIALS SUPPLIER fails to perform the services called for by this Agreement within time(s) specified herein or any extension thereof; or
  - 2. If the MATERIALS SUPPLIER fails to make progress under this Agreement as to endanger performance of this Agreement in accordance with its terms, and does not correct such failure within a period of ten (10) days (or longer period as the CITY may authorize in writing) after receipt of notice from the CITY specifying such failure.
- C. **Post-Termination:**
  - 1. In the event the CITY terminates this Agreement with or without cause, the CITY may procure, upon such terms and such manner as it may determine appropriate, services similar to those terminated.
  - 2. Except with respect to defaults of sub Material Suppliers, the MATERIALS SUPPLIER shall not be liable for any excess costs if the failure to perform this Agreement arises out of causes beyond the control and without the fault or negligence of the MATERIAL SUPPLIER. Such causes include, but are not limited to, acts of God or to the public enemy, floods, epidemics, quarantine restrictions, strikes, and unusually severe weather; but in the event the failure to perform is caused by the default of a sub Material Supplier, the MATERIALS SUPPLIER shall not be liable for failure to perform, unless the services to be furnished by the sub-Material Supplier were obtainable from other sources in sufficient time and within budgeted resources to permit the MATERIALS SUPPLIER to meet the required delivery schedule or other performance requirements.
  - 3. Should the Agreement be terminated with or without cause, the MATERIALS SUPPLIER shall provide the CITY with all finished and unfinished documents, data, studies, services, drawings, maps, models, photographs,

reports, etc., prepared by the MATERIALS SUPPLIER pursuant to this Agreement.

4. Upon termination, with or without cause, MATERIALS SUPPLIER will be compensated for the services satisfactorily completed to the date of termination according to compensation provisions contained herein. In no event, shall the total compensation paid MATERIALS SUPPLIER exceed the total compensation agreed to herein.
5. If after notice of termination of this Agreement, as provided for in this article, it is determined for any reason that the MATERIALS SUPPLIER was not in default under the provisions of this article, then the rights and obligations of the parties shall be the same as if the Agreement was terminated without cause.
6. Termination of this Agreement shall not terminate any obligation to indemnify, to maintain and make available any records pertaining to the Agreement, to cooperate with any audit, to be subject to offset, or to make any reports of pre-termination activities.

**VI) INTEREST OF OFFICIALS AND THE MATERIALS SUPPLIER**

- A. No officer, member, or employee of the CITY who exercises any functions or responsibilities in the review or approval of this Agreement shall:
  1. Participate in any decision relating to this Agreement which effects their personal interest or the interest of any corporation, partnership, or association in which they have, directly or indirectly, any interest or
  2. Have any interest, direct or indirect, in this Agreement or the proceeds thereof during his tenure or for one year thereafter.
- B. The MATERIALS SUPPLIER hereby covenants that he has, at the time of the execution of this Agreement, no interest, and that they shall not acquire any interest in the future, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed pursuant to this Agreement. The MATERIALS SUPPLIER further covenants that in the performance of this work, no person having any such interest shall be employed.

**VII) NO PERSONNEL, AGENCY OR COMMISSION**

The MATERIALS SUPPLIER warrants, by execution of this Agreement, that no personnel agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide established commercial or selling agencies maintained by the MATERIAL SUPPLIER for the purpose of securing business. For breach or violation of this warranty, the CITY shall have the right to annul this Agreement without liability or, in its discretion, to deduct from this Agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

**VIII) SUBCONTRACTING**

- A. The MATERIALS SUPPLIER shall not subcontract or otherwise assign any portion of the work to be performed under this Agreement without the prior written approval of the CITY.
- B. In no event shall the MATERIALS SUPPLIER subcontract work in excess of 50% of the contract amount, excluding specialized services. Specialized services are those items not ordinarily furnished by a Materials Supplier performing the particular type of project.

**IX) INDEPENDENT CONTRACTOR**

In the performance of the services herein provided for, the MATERIAL SUPPLIER shall be, and is, an independent contractor and is not an agent or employee of the CITY. The MATERIALS SUPPLIER has and shall retain the right to exercise full control and supervision of all persons assisting the MATERIAL SUPPLIER in the performance of said services hereunder. The MATERIALS SUPPLIER shall be solely responsible for all matters relating to the payment of its employees including compliance with social security and income tax withholding and all other regulations governing such matters.

**X) SPECIFICATIONS**

All specifications, manuals, standards, etc., either attached to this Agreement or incorporated by reference, are binding as to the performance of the work specified in this Agreement unless they are changed by written amendment to this Agreement modified in writing to incorporate such changes.

**XI) DOCUMENTS/DATA**

A. **Ownership of Documents:** All original papers and documents, produced as a result of this Agreement, shall become the property of the CITY. In addition, CITY shall be provided with access and use of any other papers and documents consistent with the purpose and scope of services covered by this Agreement. Any additional copies, not otherwise provided for herein, shall be the responsibility of the CITY.

Documents, including drawings and specifications, prepared by MATERIALS SUPPLIER pursuant to this Agreement, are not intended or represented to be suitable for reuse by CITY or others on extensions of the PROJECT or on any other project. Any use of the completed documents for other projects and any use of incomplete documents without the specific written authorization from MATERIAL SUPPLIER will be at CITY's sole risk and without liability to MATERIALS SUPPLIER. Further, any and all liability arising out of changes made to MATERIALS SUPPLIER's deliverables under this Agreement by CITY or persons other than MATERIALS SUPPLIER is waived as against MATERIAL SUPPLIER, and the City assumes full responsibility for such changes unless the CITY has given MATERIALS SUPPLIER prior notice and has received from MATERIALS SUPPLIER written consent for such changes.

B. **Publication:** No report, information, or other data given or prepared or assembled by the MATERIALS SUPPLIER pursuant to this Agreement, shall be made available to any individual or organization by the MATERIALS SUPPLIER without the prior written approval of the CITY. Notwithstanding the foregoing, however, the MATERIALS SUPPLIER shall not be required to protect or hold in confidence and confidential information which (1) is or becomes available to the public with the prior written consent of the CITY; (2) must be disclosed to comply with law; or (3) must be disclosed in connection with any legal proceedings.

C. **Copyrights:** The MATERIALS SUPPLIER shall be free to copyright material developed under this Agreement with the provision that the CITY be given a nonexclusive and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use the material for government or public purposes.

**XII) INDEMNIFICATION AND INSUANCE**

- A. As respects acts, errors, or omissions in the performance of services, MATERIALS SUPPLIER agrees to indemnify and hold harmless CITY, its elected and appointed officers, employees, and CITY designated volunteers from and against any and all claims, demands, losses, defense costs, liability or consequential damages arising directly out of MATERIALS SUPPLIER's negligent acts, errors or omissions in the performance of their services under the terms of this Agreement, except to the extent those arise out of the negligence of CITY.
- B. CITY agrees to indemnify and hold harmless MATERIALS SUPPLIER, its officers, employees, and designated volunteers from and against any and all losses, defense costs, liability or consequential damages to the extent arising out of CITY's negligent acts, errors or omissions in the performance of this Agreement.
- C. As respects all acts or omissions which do not arise directly out of the performance of services, including but not limited to those acts or omissions normally covered by general and automobile liability insurance, MATERIALS SUPPLIER agrees to indemnify, defend (at CITY's option), and hold harmless CITY, its elected and appointed officers, agents, employees, representatives, and volunteers from and against any and all claims, demands, defense costs, liability, or consequential damages of any kind or nature arising out of or in connection with MATERIALS SUPPLIER's (or MATERIALS SUPPLIER'S subcontractors, if any) performance or failure to perform, under the terms of this Agreement; except to the extent those which arise out of the negligence of CITY.
- D. Without limiting CITY's right to indemnification, it is agreed that MATERIALS SUPPLIER shall secure prior to commencing any activities under this Agreement, and maintain during the term of this Agreement, insurance coverage as follow:
1. **Commercial General Liability (CGL):** Insurance Services Office (ISO) Form CG 00 01 12 07 covering CGL on an "occurrence" basis, including coverage for Premises and Operations, Contractual Liability, Personnel Injury liability, Products and Completed Operations Liability, Broad Form Property Damage (if applicable), Independent Contractor's Liability (if applicable), with limits no less than **One Million Dollars (\$1,000,000)** per occurrence or **Two Million Dollars (\$2,000,000)** aggregate. If a general aggregate limit applies, 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:** ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, hired (Code 8) and non-owned autos (Code 9), with limit of no less than **One Million Dollars (\$1,000,000)** per accident for bodily injury and property damage.
  3. **Workers' Compensation:** as required by the State of California, with statutory Limits, and Employer's Liability Insurance with limit of no less than **One Million Dollars (\$1,000,000)** per accident for bodily injury or disease.
  4. **Professional Liability (Errors and Omissions):** Insurance appropriate to the Contractor's profession, with limit of no less than **One Million**

**Dollars (\$1,000,000)** per occurrence, **Two Million Dollars (\$2,000,000)** aggregate.

- E. CITY's Risk Manager is hereby authorized to reduce the requirements set forth above in the event they determine that such reduction is in the CITY's best interest.
- F. Each insurance policy required by this Agreement shall contain the following clause:

***"This insurance shall not be canceled, limited in scope or coverage, or non-renewed until after thirty (30) days prior written notice has been given to the City Clerk, City of Tulare, 411 East Kern Avenue, Tulare, CA 93274-4257."***

In addition, the commercial general liability and comprehensive automobile liability policies required by this Agreement shall contain the following clauses:

***"It is agreed that any insurance maintained by the City of Tulare shall apply in excess of and not contribute with insurance provided by this policy."***

***"The City of Tulare, its officers, agents, employees, representatives and volunteers are added as additional insureds as respects operations and activities of, or on behalf of the named insured, performed under contract with the City of Tulare."***

- G. Prior to commencing any work under this Agreement, MATERIALS SUPPLIER shall deliver to CITY insurance certificates confirming the existence of the insurance required by this Agreement and including the applicable clauses referenced above. Within thirty (30) days of the execution date of this Agreement, MATERIALS SUPPLIER shall provide to CITY endorsements to the above-required policies, which add to these policies the applicable clauses referenced above. Said endorsements shall be signed by an authorized representative of the insurance company and shall include the signatory's company affiliation and title. Should it be deemed necessary by CITY, it shall be MATERIALS SUPPLIER's responsibility to see that CITY receives documentation acceptable to CITY which sustains that the individual signing said endorsement is indeed authorized to do so by the insurance company. CITY has the right to demand, and to receive within a reasonable time period, copies of any insurance policies required under this Agreement.
- H. In addition to any other remedies CITY may have if MATERIALS SUPPLIER 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:
  - 1. Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement; or
  - 2. Order MATERIALS SUPPLIER TO STOP WORK UNDER THIS Agreement and/or withhold any payment(s) which become due to MATERIALS SUPPLIER hereunder until MATERIALS SUPPLIER demonstrates compliance with the requirements hereof; or
  - 3. 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 MATERIALS SUPPLIER's failure to maintain or secure appropriate endorsements.

Nothing herein contained shall be construed as limiting in any way the extent to which MATERIALS SUPPLIER may be held responsible for payments of damages to persons or property resulting from MATERIALS SUPPLIER's or its subcontractor's performance of the work covered under this Agreement.

**XIII) NON-DISCRIMINATION**

MATERIALS SUPPLIER and all subcontractors shall not discriminate against any employee or applicant for employment on the basis of race, color, national origin, or gender in the performance of this Agreement. Failure by the MATERIALS SUPPLIER to carry out these requirements is a material breach of this Agreement, which may result in the termination of this Agreement.

**XIV) MISCELLANEOUS PROVISIONS**

- A. **Successors and Assigns:** This Agreement shall be binding upon and shall inure to the benefit of any successors to or assigns of the parties.
- B. **Prohibition of Assignment:** Neither the CITY nor MATERIALS SUPPLIER shall assign, delegate or transfer their rights and duties in this Agreement without the written consent of the other party.
- C. **Dispute/Governing Law:** Any dispute not resolvable by informal arbitration between the parties to this Agreement shall be adjudicated in a Court of Law under the laws of the State of California.
- D. **Notices:** Notice shall be sufficient hereunder if personally served upon the City Clerk of the City or an officer or principal of the MATERIALS SUPPLIER, or if sent via United States Postal Service, postage prepaid, addressed as follows:

CITY OF TULARE  
411 East Kern Ave.  
Tulare, CA 93274-4257  
Attention: City Clerk

MATERIALS SUPPLIER: \_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

- E. **Jurisdiction/Venue/Waiver of Removal:** The Agreement shall be administered and interpreted under the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be in that State. Any action brought to interpret or enforce this Agreement, or any of the terms or conditions hereof, shall be brought in Tulare County, California. The MATERIALS SUPPLIER hereby expressly waives any right to remove any action to a county other than Tulare County as permitted pursuant to Section 394 of the California Code of Civil Procedure.
- F. **Integration/Modification:** This Agreement and each of the exhibits referenced herein, which are incorporated by reference, represents the entire understanding of the CITY and the MATERIALS SUPPLIER as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing signed by the CITY and the MATERIALS SUPPLIER.
- G. **Conflict with Law:** If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void insofar as it is in conflict with said law, but the remainder of the Agreement shall be in full force and effect.
- H. **Attorney's Fees:** In the event either party commences any action, arbitration or legal proceedings for the enforcement of this Agreement, the prevailing party, as

determined by the court or arbitrator shall be entitled to recovery of its attorney's fees and court costs incurred in the action brought thereon.

- I. **Construction:** This Agreement is the product of negotiation and compromise on the part of each party and the parties agree, notwithstanding Civil Code Section 1654 that in the event of uncertainty the language will not be construed against the party causing the uncertainty to exist.
- J. **Authority:** Each signatory to this Agreement represents that it is authorized to enter into this Agreement and to bind the party to which its signature represent.
- K. **Headings:** Section headings are provided for organizational purposes only and do not in any manner affect the scope or intent of the provisions thereunder.
- L. **Firearms Prohibited:** Guns may not be carried by contractors/vendors/Material Suppliers while working on City of Tulare premises without the expressed written approval of a City of Tulare Department Head, or an exemption in the contract. If a contractor/vendor/Material Supplier is caught carrying a gun, without City permission, their contract will be terminated.

**IN WITNESS WHEREOF**, this Agreement is executed on the day and year first above written.

**MATERIALS SUPPLIER**

By: \_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Title

Licensed in accordance with an act providing for the registration of Contractors,

Number \_\_\_\_\_  
Federal Employer Identification

**CITY OF TULARE, A Municipal Corporation  
Charter Law City of the State of California**

By: \_\_\_\_\_  
Paul Melikian, Deputy City Manager,  
City of Tulare

**ATTEST:**

By: \_\_\_\_\_  
City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney

Attachments:

- Exhibit "A": Scope of Work
- Exhibit "B": Dewatering Polymer Costs Summary
- Exhibit "C": Certificates of Insurance

## Proposal:

Praestol K290 FLX Flocculant or like kind at the City of Tulare Wastewater Treatment Plant.

### I. SCOPE OF SERVICES

The scope of work shall include all services, labor and equipment necessary to delivery of Praestol K290 FLX polymer or like type to Facility. The terms and provision of which Vendor shall include, but not be limited to the following:

#### A. Services of the Consultant

The City of Tulare will require the vendor to perform the following tasks for the project:

1. Contractor shall provide pricing for a three year with two one year extensions of Praestol K290 FLX Flocculant or like type to 1875 S. West Street, Tulare Ca 93274 between the hours of 7:00am to 5:00 pm Monday through Friday.
2. Contractor must train city personnel on chemical hygiene and safety of chemical on a yearly basis or when chemical type has been changed.
3. Contractor must replace any chemical that may be deemed unsatisfactory to recipient at the cost of contractor. If holding tank is leaking or fill nozzle is not in proper working condition. Contractor will be asked to clean up any spilled chemical and replace with new at their own cost.
4. Contractor will provide all necessary personnel and equipment to distribute needed chemical properly.
5. Chemicals must be delivered within 3 days of order confirmation.
6. Contractor must abide by all DOT and OSHA relations while unloading chemical at the City of Tulare wastewater treatment Facility.

#### Minimum Specifications – Dewatering Polymer

1. Total Solid Concentration minimum of 4.0% or greater
2. Minimum 95% recovery rate

## Cost Proposal

October 24, 2016

City of Tulare  
City Clerk  
411 East Kern Ave.  
Tulare, CA 93274-4257

Subject: RFP #17-603, Supply and Deliver Polymer to City of Tulare Dept. of Public Works

Dear. Purchasing Agent,

Polydyne Inc. is pleased to offer you the following price quotation:

Product	Price/Gallon*	Price/Tote**	Price/Lb.
Clarifloc WE-1605	\$7.208/Gal.	\$1,950.40	\$0.848/Lb.

\*(8.5 Lbs. Gal. x \$0.848= \$7.208/Gallon)

\*\* (\$0.848/Lb. x 2300Lbs./Tote= \$1,950.40)

Payment Terms: Net 30 Days – No Discounts

Delivery Terms: 3 Days A.R.O.

Quotation Period: 11/1/2016 – 12/31/2019

Please feel free to contact your Senior Technical Sales Representative, Mr. Rawlin Castro at (415) 218-6089 if you have any questions. To place an order, please call our Customer Service Department at (800) 848-7659 or visit our website at [www.polydyneinc.com](http://www.polydyneinc.com).

Best Regards,



Mark Schlag  
Vice-President



# CERTIFICATE OF LIABILITY INSURANCE

DATE (mm/dd/yyyy)  
10/13/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed, if SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

Producer  
Frenkel & Company  
350 Hudson Street - 4<sup>th</sup> Floor  
New York, NY 10014

Phone No.: (212) 488-0200  
Fax No.: (212) 488-0220

Insured  
Polydyne Inc.  
One Chemical Plant Road  
PO Box 250  
Riceboro GA 31323

NAME	DATE	TITLE	INSURANCE COMPANY	NAIC #
INSURER A	12/31/2015	INSURANCE COMPANY	INSURER A: AG SPECIALTY INSURANCE COMPANY	26883
INSURER B	12/31/2015	INSURANCE COMPANY	INSURER B: COMMERCE & INDUSTRY INSURANCE COMPANY	19410
INSURER C	12/31/2015	INSURANCE COMPANY	INSURER C: HARTFORD INSURANCE COMPANY OF THE MIDWEST	37478
INSURER D				
INSURER E				
INSURER F				

### COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR ANY REPORT IN THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

### REVISION NUMBER:

TYPE OF INSURANCE	POLICY NUMBER	POLICY EFF. DATE	POLICY EXP. DATE	LIMITS
A GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR	EG14362834	12/31/2015	12/31/2016	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Per occurrence) \$ 500,000 MED EXP (Any one person) \$ 25,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS-COMP/OP AGG \$ 2,000,000
B AUTOMOBILE LIABILITY	CA4691818	12/31/2015	12/31/2016	COMBINED SINGLE LIMIT (Per accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A WORKERS COMPENSATION AND EMPLOYERS LIABILITY <input checked="" type="checkbox"/> EXCESS LIMIT <input type="checkbox"/> RETENTION \$ <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE	EGU18403155	12/31/2015	12/31/2016	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
C WORKERS COMPENSATION AND EMPLOYERS LIABILITY ANY REPORTING/RETURNING/DECEASE OR FUTURE BENEFIT <input type="checkbox"/> Y/N <input checked="" type="checkbox"/> N/A Year(s) under description of operations below	10MNR30630	12/31/2015	12/31/2016	WC STAT. - OTHER \$ 1,000,000 EL EACH ACCIDENT \$ 1,000,000 EL DISEASE - EA EMPLOYEE \$ 1,000,000 EL DISEASE - POLICY LIMIT \$ 1,000,000

30 DAY CANCELLATION CLAUSE INCLUDED

DECLARATION OF OPERATIONS / LOCATION / VEHICLE TYPE, ADDRESS, REMARKS SPECIAL, IF THERE IS A CHANGE IN ANY OF THE ABOVE INFORMATION, THE CITY OF TULARE, ITS OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES AND VOLUNTEERS ARE ADDED AS ADDITIONAL INSURED AS RESPECTS OPERATIONS AND ACTIVITIES BY THE NAMED INSURED PERFORMED UNDER CONTRACT WITH THE CITY OF TULARE AS REQUIRED BY CONTRACT AND SUBJECT TO THE POLICY TERMS AND CONDITIONS. COVERAGE APPLIES ON A PRIMARY AND NON-CONTRIBUTORY BASIS AS REQUIRED BY CONTRACT.

CERTIFICATE HOLDER  
City of Tulare  
411 East Kern Avenue  
Tulare, CA 93274

CANCELLATION  
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

**CITY OF TULARE, CALIFORNIA  
BOARD OF PUBLIC UTILITIES COMMISSIONERS  
AGENDA ITEM TRANSMITTAL SHEET**

**Submitting Department: Public Works – Water Division**

**For Board Meeting of: November 17, 2016**

**Documents Attached:  Ordinance  Resolution  Staff Report  Other  None**

***AGENDA ITEM:***

Authorize the City Manager, or designee, to sign a sole source unit priced supply contract to HD Supply Wateworks, Ltd for the purchase of Master Meter 4g meters and resisters compatible with Master Meter Allegro Automated Meter Infrastructure system for five (5) years with a three (3) year optional extension subject only to minor conforming or clarifying changes acceptable to the City Attorney; approve the attached project sheet and appropriate project budget in the amount of \$2,944,854 from 623 Equipment Replacement Fund, 010-4611-6003 Water Meter Repair and 010 Water Fund Salaries; and authorize the City Manager or designee to approve contract change orders in the amount not to exceed \$85,000.

***IS PUBLIC HEARING REQUIRED:***  Yes  No

***BACKGROUND/EXPLANATION:***

Background

The Hydrological Enterprise Program (HEP) is a guiding policy document adopted by the Board of Public Utilities (BPU) on January 21, 2016. The BPU adopted a revision to this document on June 2, 2016 that identifies the role of water meters within the scope of the HEP, as well as a planned upgrade replacement strategy. In 2015, staff identified systemic problems related to the failure of over 8,000 existing meter registers from specific manufacturing lots. This problem did not prevent the meters from providing accurate consumption readings, but it did prevent the City from being able to utilize all of the functionality that the meters were supposed to provide. As a result, City Staff began communications with Master Meter (the manufacturer) and HD Supply (the supplier) to come to an agreement on a replacement schedule based around the equipment warranty. After over six months of communications, Public Works and I.T. staff determined that it would be beneficial to transition from an Automated Meter Reading (AMR) system to an Advanced Metering Infrastructure (AMI) system. On September 1, 2016, staff presented the Board background information detailing differences between AMI and AMR water meters and reading systems.

The City currently employs an AMR system that allows Staff to collect customers' consumption history wirelessly within 50 feet of the meter. The information collected is the customer's water consumption history since their last meter read, as well as any tamper alerts that have been triggered. This information is only available by actually

visiting the meter site. The upgraded AMI system allows water consumption history and tamper alerts that are available remotely in near-real time. In both systems, the same information is collected, the difference is in the efficiency of collecting reads. An AMI system is delivered through an antenna and relay system rather than through the on-site data collection as required by an AMR system.

The most important benefit for the City to engage in an annual meter replacement program is that the City has the opportunity to begin transitioning the existing AMR system to a hybrid AMR/AMI system, and ultimately transition to a complete AMI system. Master Meter has developed Allegro/Harmony AMI infrastructure that will allow the City to utilize a hybrid AMR/AMI system. Typically these two types of meter systems are not installed in tandem and do not interface with each other well. This proprietary meter infrastructure will allow the City to transition from an AMR system to an AMI system over time as it engages in the HEP-directed replacement strategy.

An important feature of Master Meter's proprietary Allegro/Harmony AMI system is the customer engagement portal. This feature will allow customers greater, more readily accessible information regarding their monthly consumption. The benefits are the ability to set e-mail and text message notifications for leak alarms and monthly water budgets. A sole source professional service contract with HD Supply waterworks, Ltd. is being recommended and is authorized under the City of Tulare's Purchasing Policy on page 16, paragraph H. The policy states:

*"The Sole Source procedures may be used if: there is reasonably only one reliable source for the needed Purchases, or because of the City has standardized on a product line due to system cost savings by avoiding wasteful inventorying of multiple product lines; and the intent of this policy is achieved that City Purchase be at a reasonable price that is unaffected by improper favoritism towards any vendor."*

The City has standardized its metering system on the Master Meter product line, and this contract is an opportunity to transition to the next generation of meters and infrastructure without introducing the cost and operational inefficiencies of maintaining two different meter systems.

#### Analysis

The proposed contract is for five (5) years, with a three (3) year extension option. It is a unit-priced contract for 5/8x3/4", 3/4", 1", 1 1/2", and 2" 4G meters and AMI Allegro interpreter registers. Included is also pricing for the base station, repeaters, annual license, software training, billing system integration and the Customer Engagement Package. This contract includes pricing escalators of 3% for years 2 through 5, and 5% increases for years 6 through 8 if necessary, which still provides a significant cost savings over other options. The only purchasing limit in this contract is a minimum of 1,000 meters must be purchased per year. The HEP policy minimum meter replacement target is 1200 per year.

Using current pricing as the baseline, the contract escalators, and a policy goal of 1800 meters replaced, staff has conducted a cost savings analysis comparing existing 3G (current technology) meter prices to existing 4G meter retail prices and the negotiated 4G meter prices. Over the next 8 years:

- Staff estimates an expense of \$6.2 million to the City to replace the existing 3G meters with the same technology. (see attachment 'A' - Totals)
- If Staff were to transition to 4G technology meters on the current retail pricing, Staff estimates an expense of \$7.6 million over 8 years, an average of \$757,700 annually for meters alone.
- The negotiated contract to replace the current 3G meters with reduced price 4G meters is estimated at \$5.3 million over 8 years, or an average of \$470,800 annually for meters alone.

That is an estimated gross savings of \$2.29 million over the course of the contract period at the retail pricing of 4G meters (average \$286,900 savings annually), or would provide a savings of \$1.45 million dollars over existing 3G meter pricing (average \$182,300 savings annually). (see attachment 'B' – Meter Costs, attachment 'C' – Savings) These savings are strictly based on meter purchasing and do not include changes in licensing costs, or new infrastructure meter installation.

To accomplish regular and ongoing installation of the target 1800 meters per year, staff plans to distribute a Request for Proposals and to contract a third party vendor to dedicate their time to installation. Staff has estimated \$120,000 annually to contract an installation vendor as reflected on the attached project sheet. This is based on a preliminary and informal quote, and includes additional costs should the RFP return proposals significantly higher than the preliminary quote. To protect against future installation increases, an escalator of 1.5% has been added in years 4 through 8. The total estimated cost of installation for 1800 meters annually over the 8 year period is \$987,456.

The benefit from transitioning to the Allegro AMI system is only attainable through the use of new software and hardware. Currently the City pays \$3,200 annually in combined hardware and software licensing for the existing 3G system. Transitioning to 4G will require annual licensing fees of \$20,350. The difference in licensing costs is related to the number of features and benefits provided by the newer, more advanced software including the customer engagement portal, and the timeliness of meter read capture. This system will also result in improved operational efficiencies. For conservative analysis purposes, Staff has assumed the same 3% and 5% increases for licensing as is contractually required for the meters. This results in a total licensing cost of \$241,400 over the 8 years.

Another component of this project, and a significant reason for the City's ability to negotiate a beneficial unit price for the meters, is the one time purchase of key infrastructure. These pieces will allow the City to transition to a full 4G AMI system. This will require the purchase of up to three base stations, nine repeaters, two towers and

the engineering studies required for the towers, employee training on Harmony software, billing system integration and the customer engagement package. These pieces total \$302,690 and are a one-time cost. Staff has developed a proposed project and will be submitting it in the upcoming 2017-2022 Project Cycle to cover this component of the project.

Finally, the Board has adopted a revision to the HEP which specifies a minimum number of meters to be replaced annually (HEP chapter 6-4). There are two reasons for replacement. The first is to ensure meter accuracy and as a result, limiting revenue lost. The second reason is to implement a planned and predictable work load for City staff. In 2006 the City entered into an agreement with Johnson Controls, Inc. to purchase and install water meters city-wide. That project cost the City \$7.9 million for the meter portion alone and did not result in the comprehensive installation of meters throughout the entire city. When the Board adopted HEP chapter 6-4 into the HEP on June 2, 2016, it adopted the industry standard 15 year lifespan as a minimum target. Based on the installation dates of the existing meter system, over 10,000 meters installed in 2007 will be required to be replaced as early as 2022. (see attachment 'D' – Installation Rate) If the City does not move forward in adopting an actionable implementation strategy to execute HEP policy, it is likely that the City will again be required to take on debt at some point in the future to engage in a large scale meter replacement project. Should the City decide against taking on new debt to accomplish this in the future, industry studies state that meter accuracies will begin to deteriorate, leading to reduce water consumption revenue.

In total, after accounting for estimated costs of installation, licensing, planned meter purchases, and the one time AMI infrastructure purchase and installation, Staff estimates a net savings of \$1,458,515 over 8 years to transition to a 4G AMI system, as compared to the standard priced 4G system. This is the total planned cost of the contract less the cost of purchasing 1800 4G meters annually for 8 years. The total cost of the proposed contract less the cost of 1800 3G meters annually and the same installation costs for 8 years is a savings of \$914,426. If the City were to continue with 3G meters and install them with City Staff, the total hardware cost will be an additional \$73,120 as well as Staff time and resources to install 1800 meters annually.

#### Conclusion

To continue to purchase 3G meters at the current list price will be more costly over the next 8 years (\$73,120) than it will be to transition to an AMI meter system. The proposed agreement will save the City \$1,458,515 or more over 8 years than if the City were to transition to an AMI network ad hoc, and purchase 4G meters at the standard pricing.

#### **STAFF RECOMMENDATION:**

Authorize the City Manager, or designee, to sign a sole source unit priced supply contract to HD Supply Wateworks, Ltd for the purchase of Master Meter 4g meters and resisters compatible with Master Meter Allegro Automated Meter Infrastructure system for five (5) years with a three (3) year optional extension subject only to minor

conforming or clarifying changes acceptable to the City Attorney; approve the attached project sheet and appropriate project budget in the amount of \$2,944,854 from 623 Equipment Replacement Fund, 010-4611-6003 Water Meter Repair and 010 Water Fund Salaries; and authorize the City Manager or designee to approve contract change orders in the amount not to exceed \$85,000.

**CITY ATTORNEY REVIEW/COMMENTS:**  Yes  No  N/A

**IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED:**  Yes  No  N/A

**FUNDING SOURCE/ACCOUNT NUMBER:**

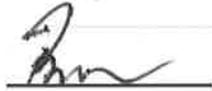
623 Equipment Replacement Fund; 010-4611-6003 Meter Repair M&O; 010 Water Fund Salaries

**Signed: Timothy Doyle**

**Title: Water and Wastewater Collections  
Utility Manager**

**Date: November 17, 2016**

**City Manager Approval:**



## WATER PROJECT

PROJECT #
Annual Meter Replacement
(Operations)
(Equipment Replacement)
Districts 1,2,3,4,5

**PROJECT MANAGER:** Timothy Doyle

**PROJECT DESCRIPTION & PURPOSE:** This project is to replace 1000-2000 water meters annually as designated by the Hydrological Enterprise Program. This will begin to transition the 3G AMR meter system to a 4G AMI system for improved billing data collection. It will also replace meters in a planned fashion to prevent loss of overall accuracy.

**KEY POINTS:** -Transitions the existing meter system from 3G AMR to 4G AMI over several years and replaces meters before they reach age of failure.

**PROJECT STATUS:** Request for Funding 2017-2022 Cycle

**PROJECTED START DATE:** 7/1/2017

**PROJECTED END DATE:** 6/30/2018

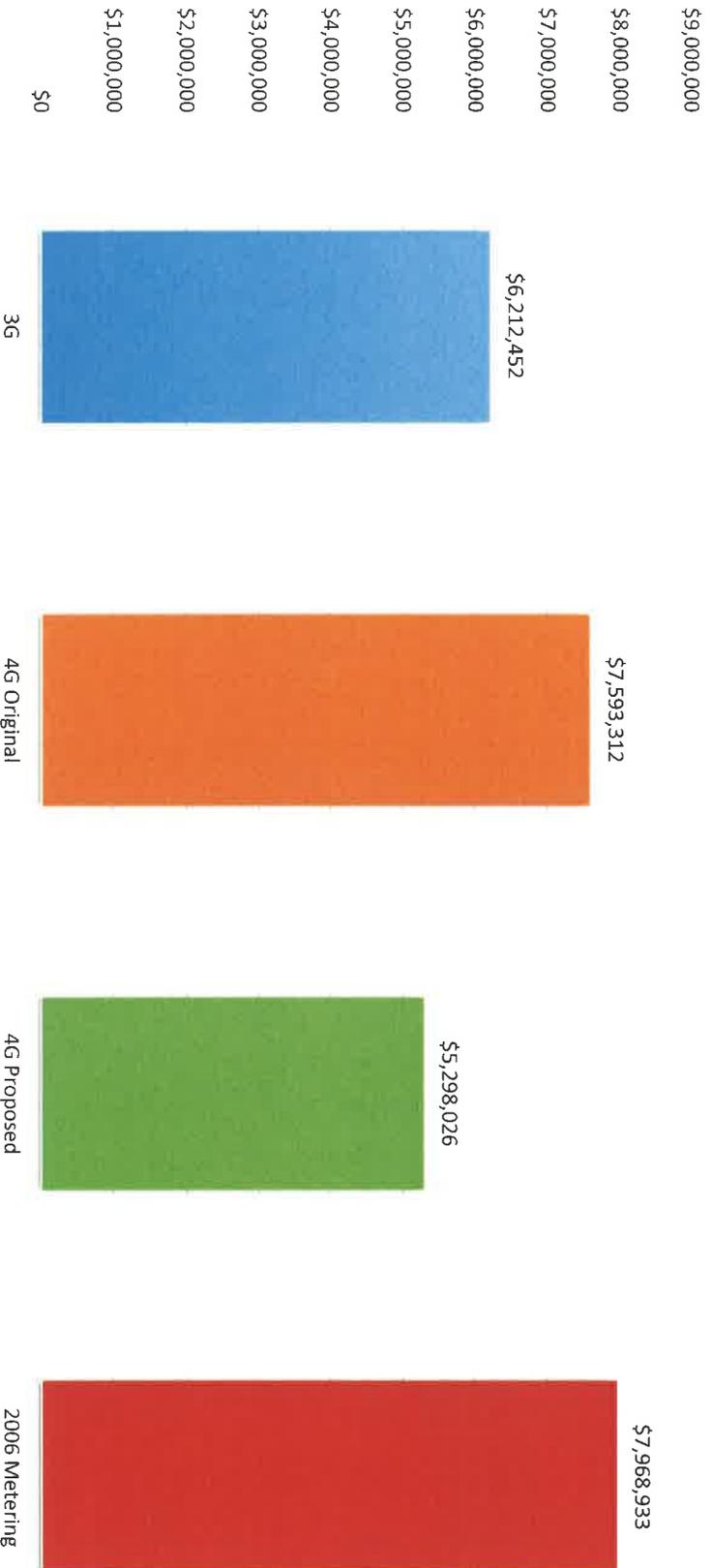
**FUTURE M & O:** This project will increase Water Division's M & O commencing July 2018 in the amount of \$30,000 annually  
*(Additional Cost & Department Responsibility)*

**CRITERIA (1-8):** Criteria 5: Project extends an existing City Program or function to meet the Council's vision and explicit direction.

Costs Description	Fiscal Year					Total	Unfunded
	2016/17	2017/18	2018/19	2019/20	2020/2021		
Materials	\$437,350	\$437,350	\$437,350	\$442,268	\$455,536	\$2,209,854	\$0
Contract - Labor	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$600,000	\$0
Staff	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000	\$0
Contingency -10%	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	\$85,000	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Costs:</b>	<b>\$584,350</b>	<b>\$584,350</b>	<b>\$584,350</b>	<b>\$589,268</b>	<b>\$602,536</b>	<b>\$2,944,854</b>	<b>\$0</b>
Funding Sources							
010 Water Fund - Salaries	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000	\$0
010-4611-6003	\$137,000	\$137,000	\$137,000	\$137,000	\$137,000	\$685,000	-\$1
623 Equipment Replacement Fund	\$437,350	\$437,350	\$437,350	\$442,268	\$455,536	\$2,209,854	\$0
<b>Total Funding:</b>	<b>\$584,350</b>	<b>\$584,350</b>	<b>\$584,350</b>	<b>\$589,268</b>	<b>\$602,536</b>	<b>\$2,944,854</b>	<b>-\$1</b>

**Attachment A**

**Meter Replacement Totals - 8 year**

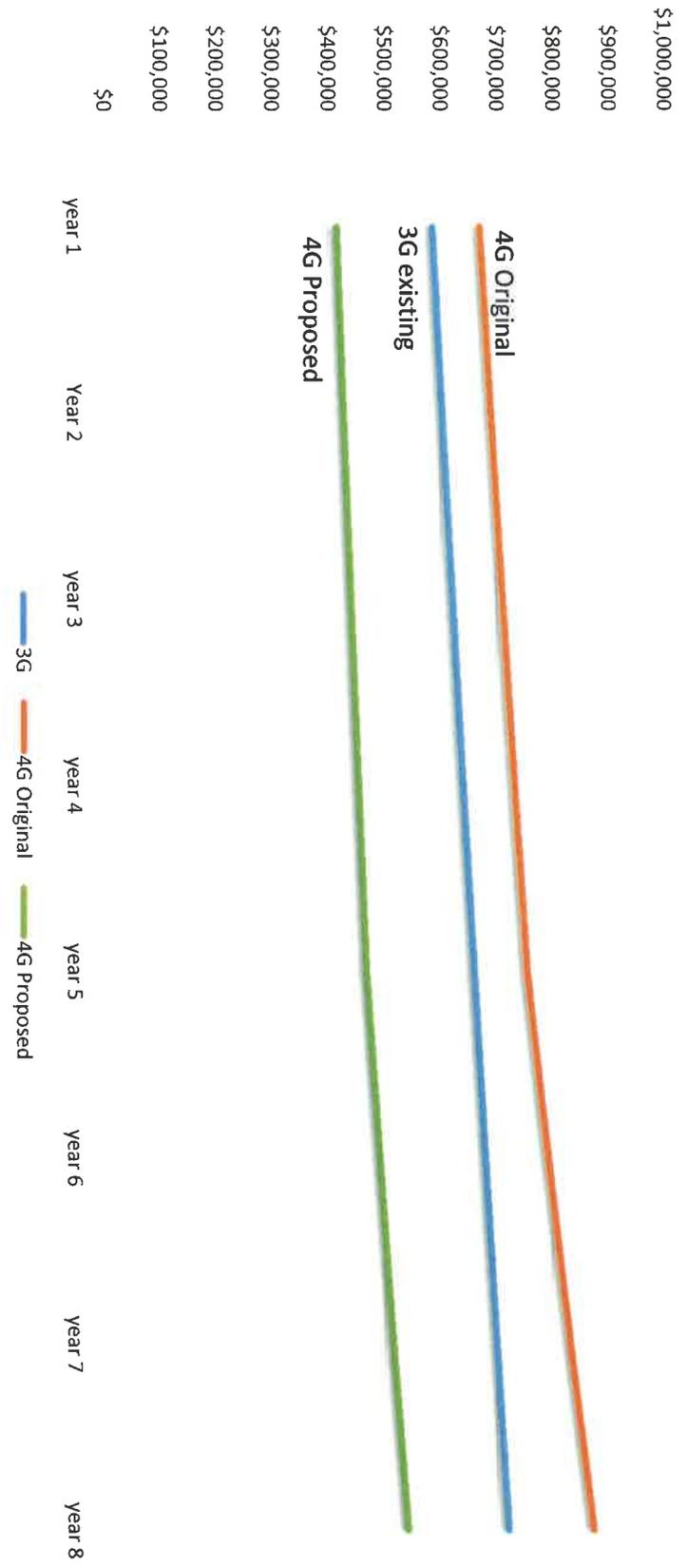


Assumptions

- 1800 meters replaced per year
- 3rd party install costs included in all 3 options
- Increased licensing not identified in the 4G Original column
- 4G Proposed includes all necessary AMI infrastructure
- 2006 Metering excludes ongoing PSA contract payments

**Attachment B**

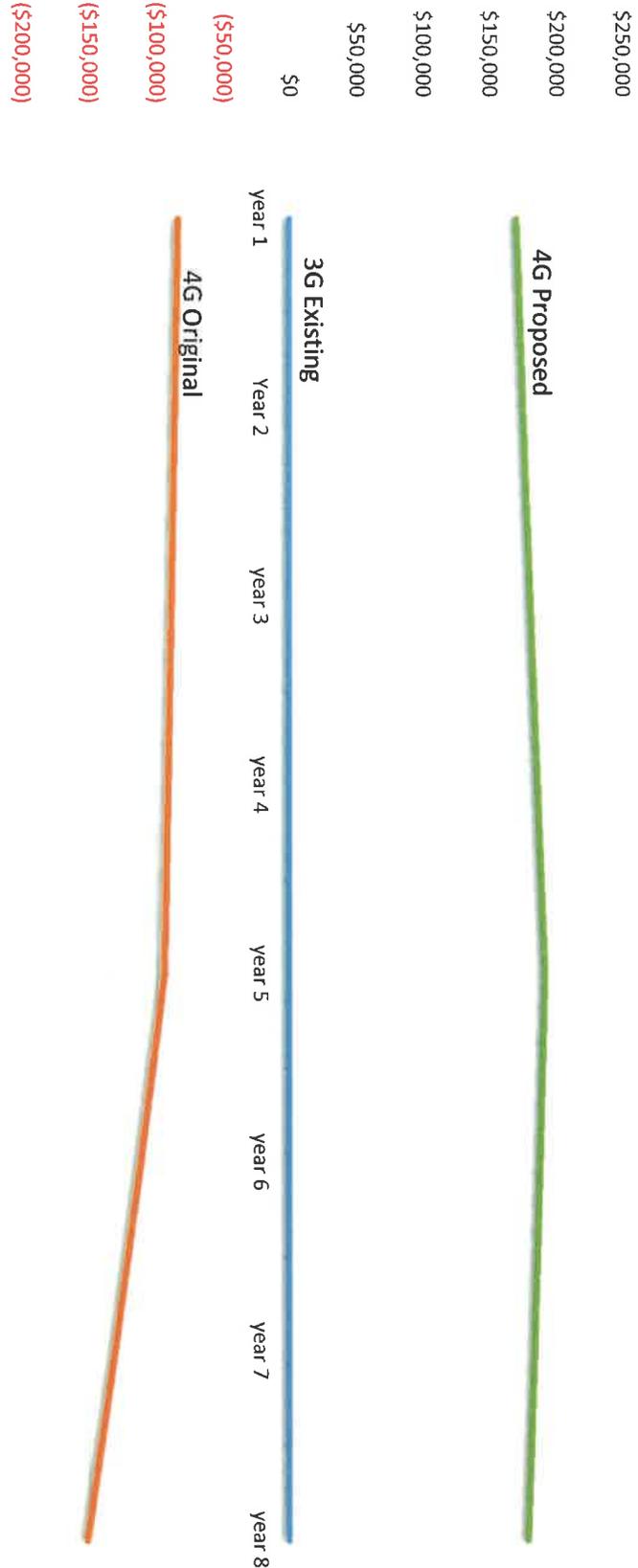
**Meter Replacement - Annual Meter Costs**



- meters only

Attachment C

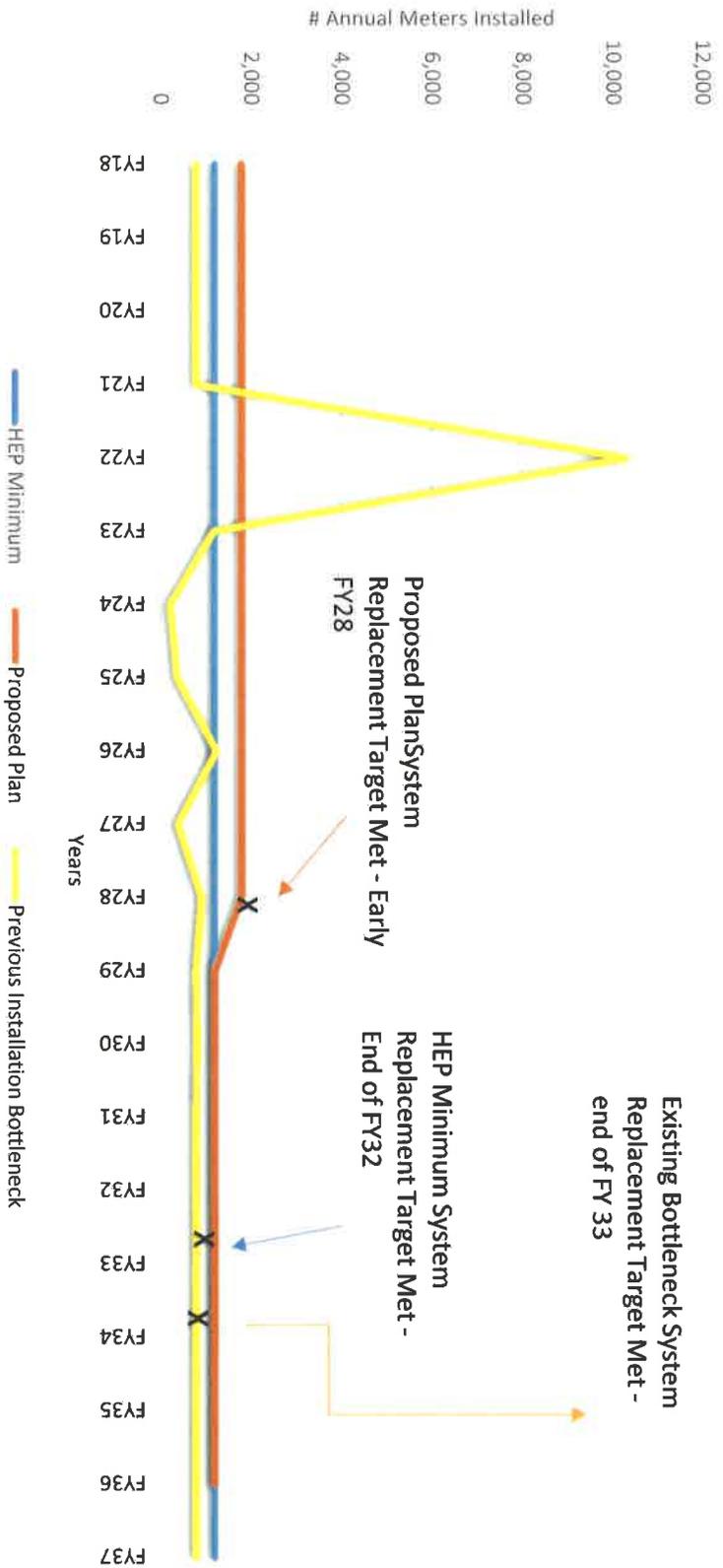
Meter Replacement - Annual Savings Over 3G



- meters only

**Attachment D**

**Meter Installation - Rate of Installation**



- HEP minimum 1211 meters replaced annually
- Proposed Plan minimum 1800 meters replaced annually
- Existing Bottleneck, 10,000+ meters replaced 2022

Attachment E

	METER COST				SAVINGS				
	<u>3G</u>	<u>4G Original</u>	<u>4G Proposed</u>		<u>3G</u>	<u>3g savings</u>	<u>4G Original</u>	<u>4G Proposed</u>	<u>4G proposed v. 4G Original</u>
year 1	\$587,574	\$670,932	\$416,880	year 1	\$587,574	\$0	-\$83,358	\$170,694	\$254,052
Year 2	\$605,201	\$691,060	\$429,386	Year 2	\$605,201	\$0	-\$85,859	\$175,815	\$261,674
Year 3	\$623,357	\$711,792	\$442,268	Year 3	\$623,357	\$0	-\$88,435	\$181,089	\$269,524
Year 4	\$642,058	\$733,146	\$455,536	Year 4	\$642,058	\$0	-\$91,088	\$186,522	\$277,609
Year 5	\$661,320	\$755,140	\$469,202	Year 5	\$661,320	\$0	-\$93,820	\$192,118	\$285,938
Year 6	\$681,159	\$792,897	\$492,662	Year 6	\$681,159	\$0	-\$111,738	\$188,497	\$300,235
Year 7	\$701,594	\$832,542	\$517,295	Year 7	\$701,594	\$0	-\$130,948	\$184,299	\$315,246
Year 8	\$722,642	\$874,169	\$543,160	Year 8	\$722,642	\$0	-\$151,527	\$179,482	\$331,009

<u>8year cost</u>	<u>3G</u>	<u>3G (no install)</u>	<u>4G Original</u>	<u>4G Proposed</u>	<u>2006 Metering</u>
Meters only	\$5,224,905	\$5,224,905	\$6,061,676	\$3,766,390	
Infrastructure			\$302,690	\$302,690	
Install	\$987,546		\$987,546	\$987,546	
8yr Licensings			\$241,400	\$241,400	
<b>totals</b>	<b>\$6,212,452</b>	<b>\$5,224,905</b>	<b>\$7,593,312</b>	<b>\$5,298,026</b>	<b>\$7,968,933</b>

**Est. Gross Cost Est. Gross Savings**

<u>4G Proposed</u>	\$5,298,026	-
<u>4G Original</u>	\$7,593,312	\$2,295,286
<u>3G</u>	\$6,212,452	\$914,426
<u>3G (no install)</u>	\$5,224,905	-\$73,120



City of Tulare

Master Project Agreement

HD Supply Waterworks, Ltd.

3050 South Cedar Avenue  
Fresno, CA 93725

# Table of Contents

	Section
Purpose and Scope .....	1
Definitions and Terminology .....	2
Term .....	3
HD Supply Waterworks' Responsibilities .....	4
Client's Responsibilities.....	5
Default of Client.....	6
Default of HD Supply Waterworks.....	7
Insolvency .....	8
Taxes, Permits, and Fees .....	9
Warranty.....	10
Indemnity .....	11
Safety .....	12
Liability and Force Majeure.....	13
Insurance and Risk .....	14
Hazardous Materials.....	15
Cleanup .....	16
Delays and Access.....	17
Quality of Materials .....	18
Reserved .....	19
Legal Governance .....	20
Dispute Resolution .....	21
Attorney's Fees .....	22
Assignability .....	23
Notices .....	24
Binding Effect .....	25
Modifications .....	26
Severability .....	27
Appendix A	Procurement Contract
<i>Exhibit A-1</i>	<i>Material Procurement Summary</i>
<i>Exhibit A-2</i>	<i>Acceptance Certificate</i>
Appendix B	Warranty
<i>Exhibit B-1</i>	<i>Manufacturers' Warranties</i>



## Master Project Agreement

This Master Project Agreement (as hereinafter defined, this “Master Project Agreement”) dated as of \_\_\_\_\_, 20\_\_ between HD Supply Waterworks, Ltd. a limited partnership consisting of HD Supply Waterworks Group, Inc. (limited Partner) and HD Supply GP & Management, Inc. (General Partner) (as hereinafter defined, “HD Supply Waterworks”), and City of Tulare (as hereinafter defined, “Client”).

1. **Purpose and Scope.** The purpose of the Master Project Agreement is to provide certain Work to Client. HD Supply Waterworks agrees to undertake the necessary Work as specified in this Master Project Agreement, and Client agrees to take all actions that are identified in this Master Project Agreement and to pay HD Supply Waterworks in the manner contemplated by this Master Project Agreement. This Master Project Agreement consists of the text set forth herein and the text set forth in each Appendix to this Master Project Agreement that is executed and delivered by the Parties. The Appendices checked below are the only Appendices that have been executed and delivered by the Parties as part of this Master Project Agreement (provided, however, that Exhibits that are part of a stated Appendix also shall be part of this Master Project Agreement):

Appendix A--Procurement, Infrastructure Installation Contract

Appendix B--Warranty

2. **Definitions and Terminology.** When used in this Master Project Agreement or in any of its attachments, the following capitalized terms shall have the respective meanings as follows:

“AWWA” shall mean the American Water Works Association

“AMR” shall mean Automatic Meter Reading

“AMI” shall mean Advanced Metering Infrastructure

“Client” shall mean City of Tulare, together with its successors.

“Factory Installation Recommendation” shall mean guidelines for installation procedures given by the manufacturer of the equipment.

“Force Majeure” shall mean conditions beyond the reasonable control, or not the result of willful misconduct or negligence of the Party, including, without limitation acts of God, storms, extraordinary weather, acts of government units, strikes or labor disputes, fire, explosions, thefts, vandalism, riots, acts of war or terrorism, non-price related unavailability of Project Materials and Supplies, and unavailability of fuel.

“Hazardous Materials” are any materials, substances, chemicals, and wastes recognized as hazardous or toxic (or other interchangeable terms of equal meaning) under applicable laws, regulations, rules, ordinances, and any governmental or authoritative body having jurisdiction over the execution of this Master Project Agreement and its attachments.

“HD Supply Waterworks” shall mean HD Supply Waterworks, Ltd., a limited partnership, together with its successors.

“Manufacturer Defect” shall mean any fault or defect in materials or workmanship that manifests itself during the Warranty Period and is covered by the manufacturer’s warranty.

“Manufacturer’s Warranty Period” shall have the meaning set forth in Appendix B to this Master Project Agreement.

“Master Project Agreement” shall mean this Master Project Agreement, to include all Appendices and Exhibits.

“Party” shall mean either HD Supply Waterworks or Client.

“Procurement Contract” shall mean the Procurement Contract attached to this Master Project Agreement as Appendix A, but only to the extent that the Parties have executed and delivered such Appendix A.

“Project” shall mean the work to be performed by HD Supply Waterworks or its subcontractors as described in this Master Project Agreement.

“Project Materials and Supplies” shall mean the materials and equipment specified in Appendix A.

“RF” shall be interchangeable with the term Radio Frequency.

“State” shall mean the State of California in which Client is located.

“Third Party” shall mean a person or entity other than Client or HD Supply Waterworks.

“Utility Service Area” shall mean the geographic area where the Project will be installed and the Work (and, if applicable, the Services) will be performed. This geographic area shall be specifically defined as the Customer’s utility boundaries and any other geographic areas including Client’s system that HD Supply Waterworks, in its discretion, shall approve in writing for inclusion in the Utility Service Area.

“Warranty Period” shall have the meaning set forth in Appendix B to this Master Project Agreement.

“Work” shall mean all work required for the completion of HD Supply Waterworks’ obligations under this Master Project Agreement, including, to the extent that the Parties execute and deliver the Procurement Contract attached hereto as Appendix A, the installation Work contemplated by the Procurement Contract.

3. **Term.** The Term of this Master Project Agreement shall begin on the commencement date as listed in the opening paragraph and, unless earlier terminated in the manner contemplated by this Master Project Agreement, shall endure for the period specified in Appendix A. Either Party may terminate this Master Project Agreement and the Services and Work described herein by giving the other Party sixty (60) days prior written notice of its termination of this Master Project Agreement.

4. **HD Supply Waterworks’ Responsibility.** HD Supply Waterworks shall provide Services, supply Project Materials and Supplies, and do all other Work as described in this Master Project Agreement. Without limiting the generality of the foregoing, HD Supply Waterworks shall maintain supervision of all its subcontractors. Any Work beyond the scope of the Work agreed to herein shall not be considered as part of this Master Project Agreement. For purposes of this Agreement, “Work agreed to herein” shall include any addendums or amendments to this Agreement. There shall be no implied or verbal agreements between the Parties relating to the subject matter of this Master Project Agreement.

5. **Client’s Responsibility.** Client shall be responsible for cooperating with HD Supply Waterworks, providing accurate information in a timely manner, and making payment in a timely manner for Work performed, Project Materials and Supplies furnished, or Services rendered. Client shall designate a representative who will be fully acquainted with the Work and will be reasonably accessible to HD Supply Waterworks and its subcontractors, and will have the authority to make decisions on behalf of Client. Client shall provide to HD Supply Waterworks and its subcontractors all information regarding legal limitations, utility locations and other information reasonably pertinent to this Master Project Agreement and the Project. Client shall be required to give prompt notice should it become aware of any fault or defect in the Project.

6. **Default of Client.** The following events shall be considered events of Default of Client: (a) The failure of Client to make payments to HD Supply Waterworks in accordance with the terms of this Master Project Agreement; (b) any representation or warranty provided by Client that proves to be materially false or misleading when made; (c) any material failure of Client to comply with or perform according to the terms of this Master Project Agreement or to correct such failure to perform within any cure period specified in this Master Project Agreement. If an event of Default by Client occurs, HD Supply Waterworks will exercise any and all remedies available to it under this Master Project Agreement.

7. **Default of HD Supply Waterworks.** The following events shall be considered events of default on the part of HD Supply Waterworks: (a) failure of HD Supply Waterworks to provide adequate personnel, equipment, and supplies in accordance with the provisions and specifications of this Master Project Agreement, (b) any failure to promptly re-perform, within a reasonable time, Work or Services that properly were rejected as defective or nonconforming, (c) the failure of HD Supply Waterworks to deliver its Work and Services free and clear of any lien or encumbrance by any subcontractor, laborer, materialman, or other creditor of HD Supply Waterworks, (d) any representation or warranty (other than a warranty as contemplated by Section 10 of this Master Project Agreement) provided by HD Supply Waterworks proves to be materially false or misleading when made, (e) any material failure of HD Supply Waterworks to comply with or perform according to the terms of this Master Project Agreement or to correct such failure to perform within any cure period specified in this Master Project Agreement. In the event of default by HD Supply Waterworks, Client may exercise any and all remedies available to it under this Master Project Agreement.

8. **Insolvency.** In the event that either Party becomes insolvent or makes an assignment for the benefit of creditors or is adjudicated bankrupt or admits in writing that it is unable to pay its debts, or should any proceedings be instituted under any state or Federal Law for relief of debtors or for the appointment of a receiver, trustee, or liquidator of either Party, or should voluntary petition in bankruptcy or a reorganization or any adjudication of either Party as an insolvent or a bankrupt be filed, or should an attachment be levied upon either Parties equipment and not removed within five (5) days therefrom, then upon the occurrence of any such event, the other Party shall thereupon have the right to cancel this Master Project Agreement and to terminate immediately all work hereunder without further obligation.

9. **Taxes, Permits, and Fees.** HD Supply Waterworks shall be responsible for obtaining all permits and related permit fees associated with the Project. Client shall pay sales, use, consumer, and like taxes, when applicable. Client shall be responsible for securing at its sole expense any other necessary approvals, easements, assessments, or required zoning changes. Client shall be responsible for personal property taxes and real estate taxes on the Project. HD Supply Waterworks shall be responsible for all taxes measured by HD Supply Waterworks' income.

10. **Warranty.** The warranty provided by HD Supply Waterworks and the manufacturer on Project Materials and Supplies, Work, and Services shall be as set forth in Appendix B.

11. **Indemnity.** Subject to Sections 13 and 14 of this Master Project Agreement:

(a) Except as otherwise expressly provided in Section 11(b) below, Client assumes, unless otherwise stated herein, all liability and risk associated with the use, operation, and storage of the Project Materials and Supplies and for property damage, injuries, or deaths associated with or arising out of the use and operation of the Project unless said damage, injury, or death is the direct result of HD Supply Waterworks, its employees, contractors, subcontractors, volunteers, and agents negligence or intentional misconduct or omission.

(b) HD Supply Waterworks shall indemnify Client and employees against all claims for payment of subcontractors or materialmen hired by HD Supply Waterworks for Work relating to the Project. HD Supply Waterworks and Client agree that HD Supply Waterworks is responsible only for damages that result from the intentional misconduct or the negligent act or omission of HD Supply Waterworks.

12. **Safety.** HD Supply Waterworks shall have the primary responsibility for the supervision, initiation, and maintaining all safety precautions and programs necessary to complete its Work associated with the Project. HD Supply Waterworks agrees to comply with all applicable regulations, ordinances, and laws relating to safety. It shall be the responsibility of Client, however, to assure that the sites controlled by Client at which HD Supply Waterworks expected to do its Work are safe sites.

13. **Liability and Force Majeure.** HD Supply Waterworks' liability under this Master Project Agreement shall not exceed the amount paid to HD Supply Waterworks for Project Materials and Supplies provided to Client. Neither HD Supply Waterworks nor Client shall be responsible to each other for any indirect, consequential, incidental, or special damages resulting in any form from the Project. Neither HD Supply Waterworks nor Client shall be responsible to each other for injury, loss, damage, or delay that arise from Force Majeure.

14. **Insurance and Risk.**

(a) During the Term of this Master Project Agreement HD Supply Waterworks shall maintain insurance as follows:

- (1) workers' compensation insurance (or self-insurance) in accordance with applicable law;
- (2) Comprehensive general liability insurance in the amount of \$2 million each occurrence, \$5 million general aggregate.
- (3) Motor vehicle liability insurance in the amount of \$5 million combined single limit.

Such coverage may be provided under primary and excess policies. At the request of Client, HD Supply Waterworks shall provide or cause its subcontractor to provide to Client a certificate of insurance with respect to such policies.

- (b) Title and risk of loss of materials provided hereunder will pass to Client upon delivery..

15. **Hazardous Materials.** The Project and the Work expressly excludes any Work or Services of any nature associated or connected with the identification, abatement, cleanup, control, removal, or disposal of Hazardous Materials or substances. Client warrants and represents that, to the best of Client's knowledge, there is no asbestos or other hazardous materials in the Project premises in areas that HD Supply Waterworks shall be required to perform work that in any way will affect HD Supply Waterworks' ability to complete the Project. If HD Supply Waterworks is made aware or suspects the presence of Hazardous Materials, HD Supply Waterworks reserves the right to stop work in the affected area and shall immediately notify Client. It shall remain Client's responsibility to correct the condition to comply with local and federal standards and regulations. Client shall remain responsible for any Claims that result from the presence of the Hazardous Materials. Client is responsible for proper disposal of all hazardous materials, including but not limited to lithium batteries.

16. **Cleanup.** HD Supply Waterworks will be responsible for keeping the Project area free from the accumulation of waste materials or trash that result from the Project-related Work. Upon completion of the initial Project-related Work, HD Supply Waterworks will remove all waste materials, trash, tools, construction equipment and supplies, and shall remove all surplus materials associated with the Project.

17. **Delays and Access.** If conditions arise that delay the commencement, completion, or servicing of the Project as a consequence of Force Majeure or failure of Client to perform its obligation that prevents HD Supply Waterworks or its agents from performing work, then HD Supply Waterworks will notify Client in writing of the existence of delay and the nature of the delay. Client and HD Supply Waterworks will then mutually agree upon any new completion dates, disbursement terms, and payment terms for the Work contemplated by this Master Project Agreement. Nothing in the foregoing sentence shall be deemed to relieve Client from its obligation to provide HD Supply Waterworks and its subcontractors reasonable and safe access to facilities that are necessary for HD Supply Waterworks to complete the Work.

18. **Quality of Materials.** HD Supply Waterworks will use the Project Materials and Supplies specified in Appendix A. Where brand names and part numbers are specified HD Supply Waterworks will use the items listed in Appendix A unless specified items are unavailable or discontinued. In this instance HD Supply Waterworks will work with Client to choose a substitute. Where brand names are not specified, HD Supply Waterworks will choose Project Materials and Supplies that are within industry norms and standards. Should Client require Project Materials and Supplies with specific requirements, Client should make these specifications known in a timely manner. HD Supply Waterworks can use Client-furnished or Client-specific materials; however, Client will need to provide them or pay the difference in price and labor should any exist. Examples of Client specific requirements include but are not limited to country or state of origin, union manufactured, specific brand, or manufacturing process.

19. **Reserved.**

20. **Legal Governance.** The laws of the State of California shall govern this Master Project Agreement and the relationship of the Parties contemplated hereby.

21. **Dispute Resolution.**

(a) The Parties will attempt in good faith to resolve through negotiation any dispute, claim or controversy arising out of or relating to this Master Project Agreement. Either Party may initiate negotiations by providing written notice to the other Party, setting forth the subject of the dispute and the relief requested. The recipient of such notice will respond in writing within three business days from receipt with a statement of its position on, and recommended

solution to, the dispute. If the dispute is not resolved by these negotiations within 15 business days following the date of the initial written notice, the matter will be submitted to mediation in accordance with Section 21(b) below.

(b) Except as provided herein, no civil action with respect to any dispute, claim, or controversy arising out of or relating to this Master Project Agreement may be commenced until the Parties have attempted in good faith to resolve the matter through a mediation proceeding, under the mediation procedure of the CPR Institute for Dispute Resolution ("CPR"), JAMS/Endispute, the American Arbitration Association ("AAA"), or as otherwise agreed upon by the Parties. Either Party may commence mediation by sending a written request for mediation to the other Party, within 45 business days following the expiration of the 15-business day period under subsection (a) above, setting forth the subject of the dispute and the relief requested. Unless the Parties agree otherwise in writing, a single mediator shall conduct the mediation, and the mediator shall be selected from an appropriate CPR, JAMS/Endispute, AAA or other panel as agreed upon by the Parties. The mediation shall be conducted in the county of the State in which Client has its principal office. Each Party may seek equitable relief prior to or during the mediation to preserve the status quo pending the completion of that process. Except for such an action to obtain equitable relief, neither Party may commence a civil action with respect to the matters submitted to mediation until after the completion of the internal mediation session, or 45 days after the date of filing the written request for mediation, whichever occurs first. Mediation may continue after the commencement of a civil action, if the Parties so desire.

(c) The Parties further agree that in the event any dispute between them relating to this Master Project Agreement is not resolved under Section 21(a) or (b) above, exclusive jurisdiction shall be in the trial courts located within the county of the State in which Client has its principal office, any objections as to jurisdiction or venue in such court being expressly waived. In the event of a breach or threatened breach by Client of this Master Project Agreement, HD Supply Waterworks in its sole discretion may, in addition to other rights and remedies existing in its favor and without being required to post a bond or other security, apply to any court for specific performance and/or injunctive or other relief in order to enforce, or prevent the violation of, this Master Project Agreement.

(d) All issues and questions concerning the construction, validity, enforcement and interpretation of this Master Project Agreement shall be governed by, and construed in accordance with, the laws of the State of California, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of California or any other jurisdiction) that would cause the application hereto of the laws of any jurisdiction other than the laws of the State of California.

22. **Attorney's Fees.** In the event of any litigation between Parties hereto arising from or with respect to this Master Project Agreement, the Parties will each bear their own attorneys' fees and costs of the action.

23. **Assignability.** Neither Party may assign, delegate or otherwise transfer this Master Project Agreement or any of its rights or obligations hereunder without the other Party's prior written consent.

24. **Notices.** All notices and communications related to this Master Project Agreement shall be made in following address:

If to Client: City of Tulare  
Attn: Contract or Project Manager  
411 East Kern Avenue  
Tulare, CA 932784

If to HD Supply Waterworks: HD Supply Waterworks, Ltd.  
3050 South Cedar Avenue  
Fresno, CA 93725

25. **Binding Effect.** Each of Client and HD Supply Waterworks represents and warrants to the other that this Master Project Agreement has been duly authorized, executed and delivered by such Party and constitutes a legal, valid and binding agreement of such Party enforceable against such Party in accordance with its terms.

26. **Modifications.** This Master Project Agreement shall not be modified, waived, discharged, terminated, amended, altered or changed in any respect except by a written document signed and agreed to by both HD Supply Waterworks and Client.

27. **Severability.** Any term or provision found to be prohibited by law or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without, to the extent reasonably possible, invalidating the remainder of this Master Project Agreement.

**IN WITNESS WHEREOF**, the Parties have executed this Master Project Agreement as of the day and year first above written.

**“HD SUPPLY WATERWORKS”**

HD SUPPLY WATERWORKS, LTD.

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

Printed Name: \_\_\_\_\_

Printed Title: \_\_\_\_\_

**“CLIENT”**

CITY OF TULARE

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

Printed Name: \_\_\_\_\_

Printed Title: \_\_\_\_\_



Appendix A

Procurement Contract

Provider: HD Supply Waterworks, Ltd. ("HD Supply Waterworks")  
Client: City of Tulare

This Procurement Contract (the "Procurement Contract") is an Appendix to the Master Project Agreement of even date herewith (the "Master Project Agreement") concerning the Project referenced in the Master Project Agreement.

1. Summary of Work. The Summary of Work for the Project contemplated by the Master Project Agreement consists of providing all Project Materials and Supplies as listed in Exhibit A-1.

2. Project Implementation Period. The Project is projected to commence on \_\_\_\_\_, and will be implemented over an approximate \_\_\_\_\_ period of time.

3. Compensation. Client agrees to pay HD Supply Waterworks for the Project Materials and Supplies and work as described in Exhibit A-1 and additionally for each supplemental item as required by Client and agreed by the parties. In addition, Client agrees to pay HD Supply Waterworks for the Work and Services contemplated by this Procurement Contract as set forth in the Master Project Agreement.

(a) Client will make payment to HD Supply Waterworks for Project Materials and Supplies within 30 days of the receipt of an invoice for such Project Materials and Supplies (which will be invoiced no more frequently than weekly). No payment shall be made for Project Materials and Supplies, however, until Client shall have issued a related Acceptance Certificate, which Client shall issue promptly following its receipt of Project Materials and Supplies.

(b) Timely Review. That Client through its designated representatives shall examine all invoices, and inspect all completed work by HD Supply Waterworks in a timely manner. In the event that a Client delay results in the lack of a progress payment disbursement, HD Supply Waterworks reserves the right to delay further work without penalty until such time as payments are made. HD Supply Waterworks further reserves all rights and options available to it under the Master Project Agreement.

IN WITNESS WHEREOF, the Parties have executed this Procurement Contract as of \_\_\_\_\_, 20\_\_.

**"HD SUPPLY WATERWORKS"**

HD SUPPLY WATERWORKS, LTD.

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

Printed Name: \_\_\_\_\_

Printed Title: \_\_\_\_\_

**"CLIENT"**

CITY OF TULARE

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

Printed Name: \_\_\_\_\_

Printed Title: \_\_\_\_\_



Exhibit A-1

Material Procurement Summary  
For Procurement Contract

Provider: HD Supply Waterworks, Ltd. ("HD Supply Waterworks")  
Client: City of Tulare

This Material Procurement Summary is an Exhibit to and hence part of the Procurement Contract contemplated by the Master Project Agreement (the "Master Project Agreement"), and it includes all Project Materials and Supplies to be used in connection with the Work contemplated by the Procurement Contract and the Master Project Agreement, as the same will be identified specifically in future invoices generated by HD Supply Waterworks and attached to each Acceptance Certificate (Exhibit A-2) contained in the Procurement Contract. A summary of the Project Materials and Supplies required for the Project is as follows:

(Pricing set out separately on next page)



## Requirements

- \* Meter pricing including register warranty allowance fixed for first 12 months from Notice to Proceed. Thereafter, meter pricing including register warranty allowance subject to 3% annual escalator for years 2 thru 5. For years 6 thru 8, the meter pricing including register warranty allowance subject to 5% annual escalator.
- \* Pricing for Infrastructure fixed for 8 years from Notice to Proceed. Thereafter, prices subject to negotiation.
- \* Mobile Drive By System pricing fixed for 90 days from Notice to Proceed.
- \* Prices herein are contingent upon City purchasing at least 1,000 Meters with 4G Allegro UTG Register during each of Years 1 through 4. In addition, for Years 1 through 4, the first order of each year must be a minimum quantity of 1,000 Meters with 4G Allegro UTG Register. Thereafter, subsequent orders during a calendar year can be of any quantity, so long as the first order of each of Years 1 through 4 has a minimum quantity of 1,000 Meters with 4G Allegro UTG Register.
  
- \* During Year 1, after the City issues the initial order of 1,000 Meters with 4G Allegro UTG Registers, the City will have the option to purchase a full upgrade of one of its current reading systems for \$3,500.00. The City may purchase an upgrade of the second reading system at a charge of \$5,000.00. The \$5,000.00 price for the second upgrade does not include training.
  
- \* A full upgrade of a current reading system as specified above consists of the following: (00-020-010-ALGRO-UG) Allegro Upgrade for Model 53 Mobile Reading System: Includes: Allegro Receiver, Mag Mount Antenna, Allegro Technical Software & Drive-by Case modification plus labor. Note: Case modification is optional.
- \* Master Meter requires the existing 3G Registers to be returned no later than 6 months from the date a shipment of meters with 4G Allegro UTG Register is received by City. City is strongly encouraged to return registers as soon as possible.
  
- \* Master Meter will pay shipping charges on bulk returns with a minimum of 500 registers per shipment.
- \* Note: Master Meter only needs the registers back (any condition), the meter bodies will not be returned and the City can scrap the meter bodies.
- \* If the quantity of 3G registers returned by the City within the 6-month period specified above is between 90% and 99.99% of the quantity of Meters with 4G Allegro UTG Registers shipped by Master Meter, the City will pay the amount of \$38.00 per register for each register that is not returned.
- \* If the quantity of 3G registers returned by the City within the 6-month period specified above is less than 90% of the quantity of Meters with 4G Allegro UTG Registers shipped by Master Meter, the City will pay the then-prevailing rate for 4G Allegro UTG Registers for each register that is not returned.

**Option 1: 3G/Allegro-Harmony AMI Laptop Reading System**

Quantity	Description	Proposed		Initial Price		Extended	Total Savings (RMA Revised vs. Initial)
		Sell	Extended	Sell	Extended		
1	<b>3G/Allegro Drive-By Receiver &amp; Technician Software/Laptop System</b> System Includes: Model 53 Semi-Rugged Laptop w/ AC/DC power supply (00-080-007) Allegro Receiver (System Requires 2) 400mhz External Mag Mount Antenna Base (System Requires 2) Hard Shell Carrying Case Kit 400mhz Antenna Whip (System Requires 2) Harmony Hosting Basic Annual License (2,500 EP Minimum after the 1st year is \$3,921.57) Harmony Hosting Basic Annual License (10,000 > EP Minimum after the 1st year is \$7,058.82) Harmony Drive-by Software Harmony Software System Setup and Training (3 days) Harmony Billing System Integration DMMR Receiver & Charger 900mhz External Mag Mount Antenna (DMMR/EMMR/MMR) DC Adapters for Toughbook (note: EP - End Points)	\$ 11,335.29	\$ 11,335.29	\$ 11,335.29	\$ 11,335.29	\$35,000.00	\$23,664.71
1	<b>3G/Allegro Drive-By Receiver &amp; Technician Software/ Less Laptop System</b>	\$ 8,561.18	\$ 8,561.18	\$ 8,561.18	\$ 8,561.18	\$32,470.07	\$23,908.89

**Pricing good for 90 days.  
Does Not Include Tax**



September 9, 2016

City of Tulare  
Public Works Department  
411 East Kern Avenue  
Tulare, CA 93274

To Whom It May Concern:

On behalf of HD Supply Waterworks and Master Meter, Inc. we appreciate the continued opportunity to serve your metering needs.

This letter is to inform you that Master Meter, Inc. is the sole source manufacturer of the Harmony & Allegro System that the City of Tulare, CA has selected. As the sole source manufacturing entity, no other product is available with this exclusive patented technology.

Additionally, let this letter confirm that HD Supply Waterworks is the only authorized AMR/AMI waterworks utility distributor for Master Meter in California. This comprises Master Meter's entire product line including, but not limited to, all sizes and types of water meters, AMR/AMI meter reading systems, such as our patented Harmony & Allegro System, components and accessories.

If you should have any questions or require additional information, please don't hesitate to contact me at 800-765-6518.

Respectfully,

A handwritten signature in cursive script that reads "Neal Farmer".

Neal Farmer  
Vice President of Sales

cc: Ed Amelung, RSM, Master Meter, Inc.  
Brian Jensen, HD Supply Waterworks

Exhibit A-2

Acceptance Certificate

Client under the Master Project Agreement (the "Master Project Agreement") with HD Supply Waterworks, Ltd. hereby certifies:

This Acceptance Certificate is a Partial/Final (Circle one) Acceptance Certificate delivered under the Procurement, Installation, and Management Contract (the "Procurement Contract") to which it is attached.

1. The Project Materials and Supplies listed on the attached invoice (or in the event of a final Acceptance Certificate all Project Materials and Supplies provided under the Procurement Contract and the Master Project Agreement), have been delivered to Client.

Client has conducted such inspection and/or testing of the Project Materials and Supplies as it deems necessary and appropriate and hereby acknowledges that it accepts the Project Materials and Supplies for all purposes on the date indicated below.

2. Based on and the acceptance set forth herein, Client agrees that the Manufacturer's Warranty Period on all water equipment shall be deemed to have begun on the date when the manufacturer shipped such equipment and that the Manufacturer's Warranty Period shall end in accordance to the referenced warranties in Appendix B, Exhibit B-1.

3. \_\_\_\_\_, Client agrees that the Warranty Period for the Work and Services shall end on \_\_\_\_\_, 20 (i.e. one year from the date hereof).

4. The following is a punch list of items left to be completed for current phase or final phase (Circle one) of the Project:

Insert Punch list

Agreed to and Accepted as of \_\_\_\_\_, 20 by:

**"CLIENT"**

CITY OF TULARE

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

Printed Name: \_\_\_\_\_

Printed Title: \_\_\_\_\_

## Appendix B

### WARRANTY

The warranties on water meters included in Project Materials and Supplies, and on Work, and Services shall be as follows:

1. Project Materials and Supplies.

(a) General. Water meters and equipment included in Project Materials and Supplies that Client purchases from HD Supply Waterworks are warranted by the manufacturer to be free from Manufacturers' Defects for the period specified in the manufacturer's warranty. A copy of the present warranty of each water meter manufacturer that will supply water meters and equipment as part of the Project Materials and Supplies is attached hereto as Exhibit B-1. The term of such manufacturer's warranty shall be as set forth in such attached warranty (as the same may be changed from time to time during the course of the performance of the Master Project Agreement, but with changes to apply only to purchases of water meters occurring after the change becomes effective), but generally the start date for water meter warranties is the date of the manufacturer's shipment of such water meter as noted in the applicable Acceptance Certificate attached to this Agreement as Exhibit A-2 ("Manufacturer's Warranty Period"). PROJECT MATERIALS AND SUPPLIES OTHER THAN WATER METERS and EQUIPMENT ARE NOT WARRANTED. HD SUPPLY WATERWORKS DOES NOT PROVIDE ANY SEPARATE WARRANTY FOR PROJECT MATERIALS AND SUPPLIES.

(b) HD Supply Waterworks' Responsibility. In the event of any warranty claims during the applicable Manufacturer's Warranty Period, HD Supply Waterworks' sole responsibility shall be to cooperate with Client in arranging for the manufacturer to repair or replace any defective water meter.

2. Installation Work and Services.

(a) General. HD Supply Waterworks warrants that all installation Work and Services provided by HD Supply Waterworks shall be performed by HD Supply Waterworks in a workmanlike manner and in compliance with any specifications set forth in this Agreement, with such warranty to expire one year from the date when such installation Work was performed or such Services were provided (the "Warranty Period").

(b) Exclusive Remedy. Upon any breach of HD Supply Waterworks' warranty as to installation Work or Services during the applicable Warranty Period, HD Supply Waterworks' sole responsibility shall be to perform any corrective installation Work or Services necessary to bring HD Supply Waterworks' installation Work and Services into compliance with such requirements.

3. DISCLAIMER OF FURTHER WARRANTIES. EXCEPT FOR THE FOREGOING EXPRESS WARRANTY, HD SUPPLY WATERWORKS DISCLAIMS ALL EXPRESS AND IMPLIED WARRANTIES INCLUDING ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL HD SUPPLY WATERWORKS BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES OF ANY KIND.

Exhibit B-1

Manufacturers' Warranties



**Consolidated  
Measurement and  
Systems Products  
&  
Meter Accuracy  
Warranty**



# Multi-Jet BLMJ & BLMS 5/8" – 2"

### Scope of Integrity

This warranty applies exclusively to Master Meter Multi-jet (MMMJ) 5/8", 3/4", 1", 1.5", and 2" meters purchased on or after January 1, 2006 when used for clean cold potable water (120° F) and installed in accordance with Master Meter published installation instructions in effect as of the date of Master Meter's FOB shipment. This warranty applies exclusively to the original utility purchaser when product is purchased from either Master Meter or an authorized Master Meter distributor. Coverage in both terms of time and registered usage is from date of shipment by Master Meter.

### Materials and Workmanship

If used and installed as described above, Master Meter warrants all MMMJ (5/8", 3/4", 1", 1.5" and 2") to be free from defects in materials and workmanship for a period of **24 months**. Product exposed to willful misconduct, negligence, vandalism, acts of God, exposure to adverse service conditions, or improper use or repair is

not covered.

### Case Integrity

If used and installed as described above, Master Meter, Inc. warrants that the standard and/or low lead bronze cases of the 5/8", 3/4", 1", 1.5" and 2" MMMJ Meters will retain their structural integrity for a period of **25 years** from the date of Master Meter shipment.

### Claims

Any meter or register covered by this warranty that fails to meet the terms of the stated warranty will be repaired or replaced, at the option of Master Meter, Inc. The customer is responsible for removing the meter and/or register from service, returning it to the factory service center designated by Master Meter, Inc., providing all required paperwork per the Return Material Authorization at the time of the returned product and for freight costs to the service center. The customer is also responsible for reinstalling repaired or replaced product.

*The Master Meter Multi-jet meets or exceeds the AWWA's most recent revision of C708 Standards for Accuracy.*

20 YEAR TOTAL ACCURACY GUARANTEE					
	5 YEARS NEW			15 YEARS REPAIRED	
	5/8" x 3/4"	3/4"	1"	1.5"	2"
NEW Meter Accuracy	5 Years or 750,000 USG	5 Years or 750,000 USG	5 Years or 1,100,000 USG	5 Years or 1,600,000 USG	5 Years or 2,100,000 USG
REPAIRED Meter Accuracy	15 Years or 2,500,000 USG	15 Years or 2,500,000 USG	15 Years or 3,250,000 USG	15 Years or 5,600,000 USG	15 Years or 10,400,000 USG



# Positive Displacement - MMPD 5/8" – 2"

## Scope of Integrity

This warranty applies exclusively to Master Meter Positive Displacement (MMPD) 5/8", 3/4", 1", 1 1/2", 2" meters purchased on or after January 1, 2006 when used for clean cold potable water (80° F) and installed in accordance with Master Meter published installation instructions in effect as of the date of Master Meter's FOB shipment. This warranty applies exclusively to the original utility purchaser when product is purchased from either Master Meter or an authorized Master Meter distributor. Coverage in both terms of time and registered usage is from date of shipment by Master Meter.

## Materials and Workmanship

If used and installed as described above, Master Meter warrants all MMPD (5/8", 3/4", 1", 1.5" and 2") to be free from defects in materials and workmanship for a period of **24 months**. Product exposed to willful misconduct, negligence, vandalism, acts of God, exposure to adverse service conditions, or improper use or repair is not covered.

## Case Integrity

If used and installed as described above, Master Meter, Inc. warrants that the standard and/or low lead bronze cases of the 5/8", 3/4", 1", 1 1/2" and 2" MMPD Meters will retain their structural integrity for a period of **25 years** from the date of Master Meter shipment.

## Claims

Any meter or register covered by this warranty that fails to meet the terms of the stated warranty will be repaired or replaced, at the option of Master Meter, Inc. The customer is responsible for removing the meter and/or register from service, returning it to the factory service center designated by Master Meter, Inc., providing all required paperwork per the Return Material Authorization at the time of the returned product and for freight costs to the service center. The customer is also responsible for reinstalling repaired or replaced product

*The Master Meter Positive Displacement Meter meets or exceeds the AWWA's most recent revision of C700 Standards for Accuracy.*

20 YEAR TOTAL ACCURACY GUARANTEE					
5 YEARS NEW		15 YEARS REPAIRED			
	5/8" x 3/4"	3/4"	1"	1.5"	2"
<b>NEW Meter Accuracy</b>	5 Years or 750,000 USG	5 Years or 750,000 USG	5 Years or 1,100,000 USG	5 Years or 1,600,000 USG	5 Years or 2,100,000 USG
<b>REPAIRED Meter Accuracy</b>	15 Years or 2,500,000 USG	15 Years or 2,500,000 USG	15 Years or 3,250,000 USG	15 Years or 5,600,000 USG	15 Years or 10,400,000 USG



## C&I Products – Turbines & Compounds

---

### MMT, WT, FHM

Master Meter 2" – 8" waterworks bronze body and 10" and 12" cast iron body **MMT Turbine Meters**, 2" – 8" Cast Iron **WT Turbine Meters**, and **FHM Fire Hydrant Meters** are warranted to perform to all applicable AWWA accuracy standards. MMT and FSC Products are warranted to be free from material and workmanship defects for **two years (24 months)** as of the date of Master Meter's FOB shipment. Master Meter 2" – 8" WT and FHM are warranted to be free from material and workmanship defects for **one (1) year** as of the date of Master Meter's FOB shipment.

### COMPOUND

Master Meter 2" to 6" DB **Compound Meters** are warranted to perform to AWWA accuracy standards and will be free from defects in material and workmanship for **two years (24 months)** from date of Master Meter shipment. Further, the Multi-jet installed for low flow measurement in the DB Compound Meter is covered by the **Multi-jet performance warranty** as described herein.

### OCTAVE

Master Meter 2" – 8" **Octave Ultrasonic Meter Products** will be free from material and workmanship defects for **two years (24 months)** as of the date of Master Meter's FOB shipment. Octave batteries are covered for a **period of ten (10) years**. Octave accuracy will perform to applicable AWWA standards for a **period of two (2) years**.

### TERMS

All Master Meter products not specifically identified above are warranted to be free of defects in materials and workmanship for **one (1) year** as of the date of Master Meter's FOB shipment.

If a product fails to perform as warranted, Master Meter will repair or replace the product, at Master Meter's option, at no charge to the customer, subject to the terms of the warranty.

This warranty shall not be applicable to products that have been damaged by willful misconduct, negligence, vandalism, act of God, exposure to adverse service conditions or improper installation, or improper use or repair.

Master Meter's liability under this warranty is expressly limited to repair or replacement of the product, at Master Meter's option, upon the customer's return of the product to the factory or service center designated by Master Meter and paying freight cost to and from such factory or service center. The product replaced becomes the property of Master Meter. Master Meter shall not be liable for special, incidental, indirect or consequential damages of any kind.

**THE ABOVE WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES OR GUARANTEES, EXPRESS, IMPLIED OR STATUTORY, WITH RESPECT TO QUALITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE.**



# Register & Electronics – General Limited Warranty

Years		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
3G-DS AMR & External Transceivers											30%	30%	30%	30%	30%	40%	40%	40%	40%	40%	40%
3G-DS Interpreter and Interpreter II Register & External Transceivers											30%	30%	30%	30%	30%	40%	40%	40%	40%	40%	40%
Allegro™ Registers & External Transceivers											30%	30%	30%	30%	30%	40%	40%	40%	40%	40%	40%
Interpreter Register for GridLinx™ & External Transceivers											30%	30%	30%	30%	30%	40%	40%	40%	40%	40%	40%
Interpreter Register for Silver Spring® Networks & External Transceivers											30%	30%	30%	30%	30%	40%	40%	40%	40%	40%	40%
eLinx Electronic Encoder Register																					
Acoulinx Encoder Register																					
Dialog® Electronic Modules (legacy product)																					
Dialog® 2G Register (legacy product)																					
Direct Read Register																					

Prorated Replacement Cost

DISCOUNT PERCENTAGES WILL BE APPLIED AGAINST PUBLISHED LIST PRICES IN EFFECT AT THE TIME THE PRODUCT IS ACCEPTED BY MASTER METER UNDER WARRANTY CONDITIONS. THE WARRANTIES CONTAINED ABOVE HEREOF ARE THE ONLY WARRANTIES WITH RESPECT TO THE LISTED PRODUCTS, AND ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, BETWEEN THE PARTIES OR ARISING BY LAW. IN PARTICULAR, MASTER METER DISCLAIMS ANY AND ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THESE WARRANTIES SHALL BE VOID IN THE EVENT THAT MASTER METER DETERMINES THAT THE FAILURE OR DEFECT IN THE LISTED PRODUCT HAS ARISEN AS A RESULT OF THE PRODUCT BEING USED FOR ANY PURPOSE OTHER THAN THAT WHICH WAS INTENDED AND APPROPRIATE AT THE TIME OF MANUFACTURE INCLUDING USE IN A CONFIGURATION OTHER THAN AS RECOMMENDED BY MASTER METER OR AS A RESULT OF IMPROPER INSTALLATION OR MAINTENANCE.

I. Master Meter, Inc. ("Master Meter") warrants its products and parts to be free from defects in material and workmanship for one (1) year from the date of Master Meter's FOB shipment, if not otherwise specified or as set forth in this document. If a product fails to perform as warranted; Master Meter will repair or replace the product, at Master Meter's sole option, at no charge to the customer, subject to the terms of the warranty stated herein. This warranty shall not be applicable to products determined by Master Meter to have been damaged by willful misconduct, negligence, vandalism, act of God, exposure to adverse service conditions or improper installation, use or repair.

II. Allegro™ integrated registers and Allegro™ External Transceiver Modules are warranted to be free from defects in materials and workmanship for Ten (10) years from date of shipment by Master Meter and at a prorated replacement cost of current list price during the following Ten (10) years based on the discounted rate value listing above (configured to the original factory settings of twice daily transmissions of 12 hourly interval reads, allowing for no more than 2 customer requested firmware upgrades for the life of the product, and no more than 4 on-demand reads per year.) All other Allegro System Components are warranted to be free from defects in materials and workmanship for One (1) year from date of shipment by Master Meter.

III. DIALOG 3G™ DS, DIALOG 3G™ DS Interpreter / Interpreter II registers, and DIALOG 3G™ External Transceiver Modules are warranted to be free from defects in materials and workmanship for Ten (10) years from date of shipment by Master Meter and at a prorated replacement cost of current list price during the following Ten (10) years based on the discounted rate value listing above (configured to the original factory settings with a typical usage of no more than 4 data logs per year.) All other DIALOG 3G DS System components and features are warranted to be free from defects in materials and workmanship for One (1) year from date of shipment by Master Meter.

IV. Interpreter™ Register with GridLinx™ Protocol, Interpreter™ Register with Silver Springs Network Protocol, and all External Transceiver Modules operating on the GridLinx and Silver Springs Network are warranted to be free from defects in materials and workmanship for Ten (10) years from date of shipment by Master Meter and at a prorated replacement cost of current list price during the following Ten (10) years based on the discounted rate value listing above (configured to the original factory settings.) All other System Components for Registers based on GridLinx and Silver Springs Network are warranted to be free from defects in materials and workmanship for One (1) year from date of shipment by Master Meter.



V. AccuLink™, eLinx™, DIALOG 2G, Legacy DIALOG Electronic Modules, and non-electronic DIALOG system registers are warranted to be free from material and workmanship defects for ten (10) years, and DIRECT READ registers for fifteen (15) years, from date of Master Meter shipment. All other Master Meter products not specifically identified above are warranted to be free of defects in materials and workmanship for one (1) year from date of Master Meter shipment.

VI. RETURNS: Master Meter's obligation, and Customer's exclusive remedy, under this Limited Warranty is, at Master Meter's option, to repair or replace the product, provided the Customer (a) returns the product to the location designated by Master Meter within the warranty period; and (b) prepays the freight costs to such location.

If product is not determined to be under warranty, customer will pay freight for return of the original product. If the product is determined to be under warranty, the product will be repaired and returned to the customer, replaced, or Master Meter will determine a suitable substitute

(at Master Meter's sole option), with freight paid by Master Meter. The original product returned becomes the property of Master Meter. Master Meter shall not be liable for special, incidental, in-direct or consequential damages of any kind.

The return of products for warranty claims must follow Master Meter's Returned Materials Authorization (RMA) procedures. All Master Meter Products returned must be affixed with an approved Return Authorization form. For all returns, Master Meter reserves the right to request meter reading records by serial number to validate warranty claims.

For products that have become discontinued or obsolete ("Obsolete Product"), Master Meter may, at its discretion, replace such Obsolete Product with a different product model ("Replacement Product"), provided that the Replacement Product has substantially similar features as the Obsolete Product.

---

**THE ABOVE WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES OR GUARANTEES, EXPRESS, IMPLIED OR STATUTORY, WITH RESPECT TO QUALITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE.**



## Limits of Liability

---

This warranty does not apply to meters or registers determined by Master Meter to have been damaged by aggressive water conditions, foreign matter in water, vandalism, negligence, installation not in accordance with Master Meter, Inc. installation instructions, misapplication or other use not as described on this document, acts of God or other conditions beyond the control of Master Meter, Inc. This warranty is null and void if it is determined by Master Meter that a meter is altered by the addition of any register not manufactured by or on behalf of Master Meter, Inc. for its specific model and size. If a meter is claimed to breach the accuracy guarantees as stated herein, the customer shall submit a certified copy of the test results at the time the meter is returned to Master Meter, Inc. The accuracy warranty shall be void if an examination of the customer's water system shows poor water quality causing an unusually adverse effect on metering equipment.

Master Meter's liability under this warranty is expressly limited to repair or replacement of the product, at Master Meter's option. The repaired or replacement product will maintain the original meter's warranty based on the original purchase date. The customer must pay for freight cost of the returned product or products to the factory or service center designated by Master Meter. The product returned becomes the property of Master Meter.

Any description of product, whether in writing or made orally by Master Meter, Inc. or its agents, specifications, samples, literature, models, bulletins, drawings, diagrams, data sheets or similar materials used in connection with any customer's order are for the sole purpose of identifying product and shall not be construed as an express or implied warranty. Any suggestions by Master Meter, Inc. or its agents regarding use, application, or suitability of product shall not be construed as an express or implied warranty unless confirmed to be such in writing by Master Meter, Inc.

If any provision hereof, partly or completely, shall be held invalid or unenforceable, such invalidity shall not affect any other provision or portion hereof and these terms shall be construed as if such invalid or unenforceable provision or portion thereof had never existed.

**THE FOREGOING EXPRESS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES OR GUARANTEES WHATSOEVER, WHETHER EXPRESSED OR IMPLIED (EXCEPT FOR WARRANTY OF TITLE) INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. CUSTOMER'S EXCLUSIVE REMEDY AND MASTER METER, INC. AND ITS BUSINESS PARTNERS' SOLE LIABILITY ON ANY CLAIM, WHETHER IN BIAS (INCLUDING STRICT LIABILITY), NEGLIGENCE, CONTRACT, WARRANTY OR OTHERWISE, FOR ANY METER OR REGISTER WHICH FAILS TO MEET THE TERMS OF THE WARRANTY STATED IN THIS DOCUMENT, SHALL BE LIMITED TO REPAIR OR REPLACEMENT AS DESCRIBED ABOVE.**

**Disclaimer. EXCEPT FOR THE WARRANTY SET FORTH IN THIS AGREEMENT, SELLER MAKES NO WARRANTY WHATSOEVER WITH RESPECT TO THE GOODS, INCLUDING ANY (A) WARRANTY OF MERCHANTABILITY; OR (B) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE.**

**No Consequential or Indirect Damages. EXCEPT AS OTHERWISE PROVIDED, IN NO EVENT SHALL MASTER METER OR ANY OF ITS BUSINESS PARTNERS BE LIABLE TO THE CUSTOMER OR ANY THIRD PARTY FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL OR PUNITIVE DAMAGES, INCLUDING ANY DAMAGES FOR BUSINESS INTERRUPTION, LOSS OF USE, DATA, REVENUE OR PROFIT, COST OF CAPITAL, COST OF SUBSTITUTE EQUIPMENT, DOWNTIME COSTS, WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND WHETHER OR NOT THE MASTER METER WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

**Maximum Liability. EXCEPT AS OTHERWISE PROVIDED IN NO EVENT SHALL MASTER METER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE TOTAL AMOUNT PAID TO THE SELLER PURSUANT TO THIS AGREEMENT. THE FOREGOING LIMITATIONS SHALL APPLY EVEN IF THE CUSTOMER'S REMEDIES UNDER THIS AGREEMENT FAIL OF THEIR ESSENTIAL PURPOSE.**

**Sole Remedy. THIS LIMITATION OF LIABILITY SETS FORTH MASTER METER'S SOLE LIABILITY AND ENTIRE OBLIGATION AND THE CUSTOMER'S EXCLUSIVE REMEDY FOR ANY ACTION THAT IS BROUGHT AGAINST MASTER METER.**

**Governing Law and Venue. ALL DISPUTES ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE GOVERNED BY TEXAS LAW, EXCLUDING ITS CHOICE OF LAW RULES, WITH JURISDICTION AND VENUE IN THE STATE OR FEDERAL COURTS OF TARRANT COUNTY, TEXAS. THE PARTIES CONSENT TO THE PERSONAL JURISDICTION OF, AND VENUE IN, SUCH COURTS AND AGREE THAT NO SUCH COURT IS AN INCONVENIENT FORUM.**

Master Meter, Inc. The Science of Precise Measurement™  
101 Regency Parkway, Mansfield, TX 76063  
Toll Free: 800-765-6518 • Main Line: 817-842-8000 • FAX: 817-842-8100  
MasterMeter.com

©2015 Master Meter, Inc. All rights reserved. DIALOG and Master Meter are registered trademarks of Master Meter, Inc. Master Meter reserves the right to make modifications to the products described herein at any time and without notice. U.S. Patent Nos. 6,819,292; 6,934,178; and others pending.