

Pursuant to Governor Newsom's Executive Order N-29-20, members of the Board of Directors and staff will participate in this meeting via a teleconference. Members of the public can submit written comments to the Board Secretary at boardcomment@camabriacsd.org



CAMBRIA COMMUNITY SERVICES DISTRICT

I, Cindy Steidel, President of the Cambria Community Services District Board of Directors, hereby call a Special Meeting of the Board of Directors pursuant to California Government Code Section 54956. The Special Meeting will be held: **Friday, August 27, 2021, 8:30 AM**. The purpose of the Special Meeting is to discuss or transact the following business:

AGENDA

SPECIAL MEETING OF THE CAMBRIA COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS

Friday, August 27, 2021, 8:30 AM

Please click the link below to join the webinar:

<https://us06web.zoom.us/j/88041338228?pwd=ZFB2N1V1K1BhUjFDVHJiUUN4RERVZz09>

Passcode: 422355

Or One tap mobile:

US: +16699006833,,88041338228# or +12532158782,,88041338228#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799 or +1 312 626 6799 or +1 929 205 6099 or
+1 301 715 8592

Webinar ID: 880 4133 8228

International numbers available: <https://us06web.zoom.us/j/88041338228>

1. OPENING

- A. Call to Order
- B. Pledge of Allegiance
- C. Establishment of Quorum

2. PUBLIC COMMENT ON AGENDA ITEMS

3. REGULAR BUSINESS

- A. Discussion and Consideration of Consultant Services Agreement with Bartle Wells Associates for Water & Sewer Financial Plan and Rate Updates

4. ADJOURN

CAMBRIA COMMUNITY SERVICES DISTRICT

TO: Board of Directors

AGENDA NO. **3.A.**FROM: John F. Weigold, IV, General Manager
Pamela Duffield, Finance Manager

Meeting Date: August 27, 2021	Subject: Discussion and Consideration of Consultant Services Agreement with Bartle Wells Associates for Water & Sewer Financial Plan and Rate Updates
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RECOMMENDATIONS:

Staff recommends the Board discuss and consider approving a revised Agreement for Consultant Services with Bartle Wells Associates for Water, WRF and Sewer financial plan and rate updates.

FISCAL IMPACT:

The cost of the consulting services with Bartle Wells Associates is \$27,000. These services include Phase A – Water & Sewer Financial updates, in the amount of \$16,000, and Optional Phase B – Water & Sewer Rate Increases, in the amount of \$11,000. Funding for these consulting services would be split between the Water, WRF and Wastewater Funds, each contributing one-third of the cost. The FY 2021/2022 budget did not include this expenditure, so a budget adjustment may be needed in each fund, which would be addressed as part of a quarterly financial report. No budget adjustment is requested at this time.

DISCUSSION:

The Cambria Community Services District (CCSD) Board directed staff at its August 19, 2021 meeting to work with Bartle Wells Associations to revise the original consultant services proposal to provide for optional rate study services. Staff has completed the revisions with Bartle Wells Associates and recommends that the Board approve the attached proposal.

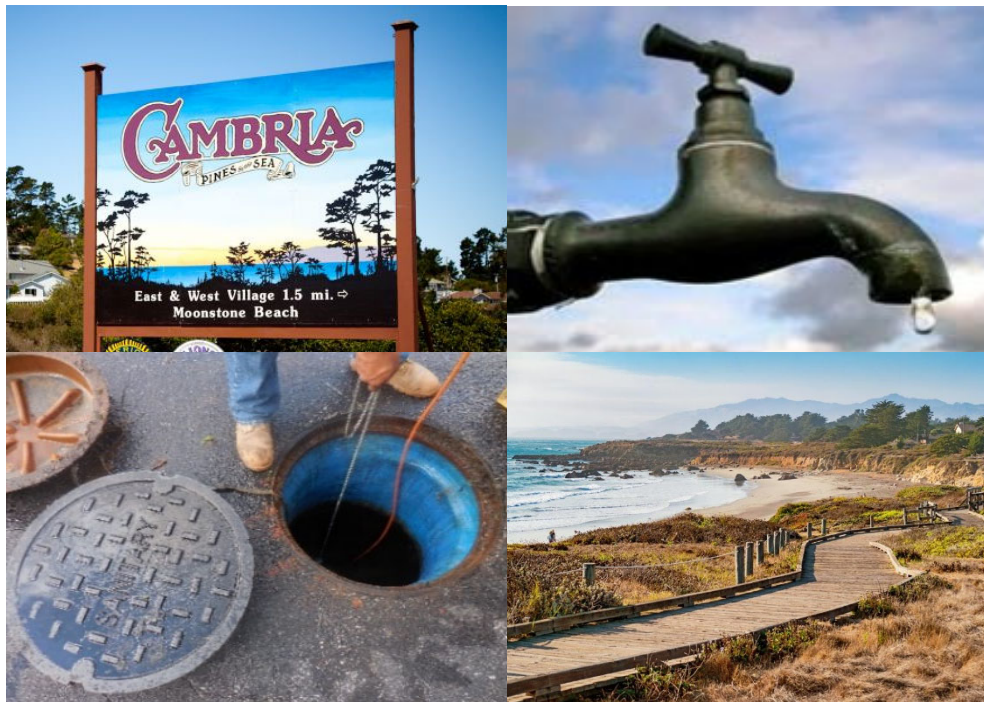
For further background, CCSD has been working closely with PG&E to formulate a plan to execute upgrades to the wastewater treatment plant as part of the District's ongoing Sustainable Solutions Turnkey (SST) program. The CCSD has also been working on a Water Meter Upgrade project, as well as other Water & WRF projects. In an effort to properly understand CCSD's enterprise funds finances and to plan for current and future requirements, staff recommends that the Board approve an agreement for consultant services with Bartle Wells Associates.

Bartle Wells Associates is very familiar with District finances, as they developed our most recent rate study in 2017 and created the District's current fee schedule for services. Bartle Wells would advise the District in the short term on how to best fund the SST upgrades to the wastewater plant and will develop a long-term financial plan to assist the District in planning for future Water, WRF and Sewer expenditures in the enterprise funds.

Attachment: Proposal for Financial Plan for Water & Sewer
Agreement for Consultant Services



Cambria Community Services District



Proposal for Water & Sewer Financial Plan & Rate Updates



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

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Berkeley, CA 94705
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August 25, 2021

Cambria Community Services District
1316 Tamsen Street, Suite 201
Cambria, CA 93428

Attn: John F. Weigold, IV
General Manager

Re: Proposal for Water & Sewer Financial Plan Updates

Bartle Wells Associates is pleased to submit this proposal to assist the Cambria Community Services District with development of financial plan and rate updates for the District's water and sewer enterprises and water reclamation facility. Bartle Wells Associates specializes in providing independent financial advisory and utility rate consulting services to California water and wastewater agencies. We have extensive experience developing long-term financial plans and utility rate studies for a wide range of public agencies. And we have a strong track record of building consensus for final recommendations.

Key elements of our proposal include:

- **Develop Long-Term Financial Plans:** Develop 10-year financial plans for the District's water, water reclamation facility, and sewer enterprises. The plans will serve as financial roadmaps for funding each utility's operating and capital improvement programs while maintaining long-term financial stability. After developing base case financial projections, BWA can work with the District to evaluate alternative capital improvement and rate scenarios.
- **Rate Increases:** Identify water, reclaimed water facility, and sewer rate increases needed to support the District's future operating and maintenance, debt service, and capital funding needs. We often recommend agencies gradually phase in rate increases when needed in order to help minimize the annual impacts on ratepayers. BWA will also assist the District with all phases of the rate increase process including drafting of the required Proposition 218 Notice and participation in the Proposition 218 Rate Hearing to help gain public acceptance.
- **Incorporate District Input & Build Consensus for Recommendations:** Throughout the project, we will work closely with the District to identify and evaluate key alternatives and their impacts, gain ongoing input, and build consensus for final recommendations.

I enjoyed working with the District on our prior assignments and appreciate the opportunity to assist the District with development of water and sewer financial plan and rate updates. Please contact me if you have any questions or need any additional information.

Sincerely,

BARTLE WELLS ASSOCIATES

A handwritten signature in blue ink that reads "Alex Handlers". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Alex Handlers, CIPMA
Principal/Vice-President

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- BILLING RATE SCHEDULE
- SCHEDULE OF INSURANCE



Section 1: Firm Overview & Project Staffing



BARTLE WELLS ASSOCIATES

Leaders in California Water & Wastewater Finance

Bartle Wells Associates (BWA) is an independent financial advisory firm with expertise in the areas of water and wastewater rates and finance. Our firm was established in 1964 and is owned and managed by its principal consultants. We have over 50 years of experience advising cities, special districts, and other agencies on the complexities and challenges in public finance. We have advised over 500 public agency clients throughout California and the western United States. We have a diversity of abilities and experience to evaluate all types of financial issues faced by local governments and to recommend the best and most-practical solutions.

Bartle Wells Associates has a stable, well-qualified professional team. Our education and backgrounds include finance, civil engineering, business, public administration, public policy, and economics. The firm is owned and managed by its principal consultants who have been with the firm for many years.

BWA specializes in three professional services: utility rate and fee studies, financial plans, and project financing. We are the only independent financial advisor providing *all three* of these interrelated services to public agencies.

BWA Key Services

- *Financial Plans*
- *Rate & Fee Studies*
- *Project Financing*

RATE AND FEE STUDIES Our *rate studies* employ a cost-of-service approach and are designed to maintain the long-term financial health of a utility enterprise while being fair to all customers. We develop practical recommendations that are easy to implement and often phase in rate adjustments over time to minimize the impact on ratepayers. We also have extensive experience developing impact fees that equitably recover the costs of infrastructure required to serve new development. BWA has completed hundreds of water and wastewater rate and fee studies. We have helped communities implement a wide range of water and sewer rate structures and are knowledgeable about the legal requirements governing rates and impact fees including Proposition 218 and Government Code 66000. We develop clear, effective presentations and have represented public agencies at hundreds of public hearings to build consensus for our recommendations.



Our offices are located in Berkeley, in a circa 1900 Victorian Building.

FINANCIAL PLANS Our *financial plans* provide agencies with a flexible roadmap for funding long-term operating and capital needs. We evaluate the wide range of financing options available, develop a plan that recommends the best financing approach, and clearly identify the sources of revenue for funding projects and repaying any debt. We also help agencies develop prudent financial policies, such as fund reserve targets, to support sound financial management. BWA has developed over 2,000 water and wastewater enterprise financial plans to help public agencies fund their operating and capital programs, meet debt service requirements, and maintain long-term financial health.



PROJECT FINANCING Our *project financing* experience includes over 300 bond sales and numerous bank loans, lines of credit, and various state and federal grant and loan programs. We generally recommend issuing debt via a competitive sale process to achieve the lowest cost financing possible. To date, we have helped California agencies obtain over \$5 billion of financing via bonds, bank loans/private placements, lines of credit, low-rate State Revolving Fund Loans, and other funding programs. We work only for public agencies; we are independent financial advisors and do not buy, trade, or resell bonds. Our work is concentrated on providing independent advice that enables our clients to finance their projects on the most favorable terms—lowest interest rates, smallest issue size, and greatest flexibility.

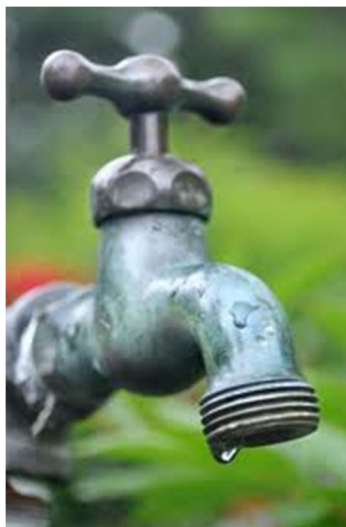
Bartle Wells Associates is a charter member of the **National Association of Municipal Advisors** (NAMA), which establishes strict criteria for independent advisory firms. All of our lead consultants are *MSRB-Registered Municipal Advisors* and *Certified Independent Professional Municipal Advisors*.



Bartle Wells Associates is committed to providing value and the best advice to our clients. Our strength is *quality*—the quality of advice, service, and work we do for all our clients.

PROJECT STAFFING

BWA proposes to assign Alex Handers, a principal and vice-president of the firm, as project manager and principal-in-charge for this engagement. Alex has consulted for over 150 California water and wastewater agencies and has extensive experience developing financial plans and utility rate and fee studies for numerous California agencies. He also is experienced evaluating financing alternatives for capital improvement programs and has helped California agencies obtain over \$2 billion of low-cost project funding. He is a Certified Independent Professional Municipal Advisor and Board Member of the National Association of Municipal Advisors. Alex also has experience presenting technical information to non-technical audiences in order to foster understanding of key issues and recommendations. He has made hundreds of public presentations to City Councils, District Boards, and a range of community and customer groups to build support for final recommendations.



ALEX T. HANDLERS, MPA, CIPMA



Experience

Alex Handlers is a principal and vice president of Bartle Wells Associates with expertise in the areas of utility rates and finance. He has extensive experience developing long-term financial plans, utility rates, and development impact fees for utility enterprises. Alex has helped agencies implement a wide variety of water and sewer rate and fee structures and is knowledgeable about the legal requirements governing rates and fees. He has substantial experience working with governing boards and community advisory groups to build consensus for recommendations and has helped many agencies implement rate increases in challenging political environments. He has managed projects for over 150 cities, counties, and special districts.

Alex is also an independent financial advisor who helps public agencies secure low-cost financing for capital projects. He is an MSRB-Registered Municipal Advisor and a current Board Member of the National Association of Municipal Advisors. He has expertise helping public agencies evaluate financing alternatives for capital improvement programs and has helped agencies obtain over \$2 billion in financing via bonds, COPs, bank loans/private placements, lines of credit, and various state and federal funding programs.

Education

M.P.A. - University of Washington

B.A. - Lehigh University

Certifications

Board Member – National Association of Municipal Advisors

Certified Independent Public Municipal Advisor (CIPMA)

MSRB-Registered Municipal Advisor (Series 50)

Representative Projects

- **City of Morro Bay:** Developed 10-year water and wastewater financial plans and rate studies supporting construction of a new \$145 million Water Reclamation Facility and recycled water infrastructure. Evaluated water and sewer rate structures and recommended modifications based on a cost of service analysis. Developed emergency water shortage rates. Updated the City's water and wastewater connection fees. Served as financial advisor on issuance of \$62 million of low-rate WIFIA financing and \$67 million of low-rate State Revolving Fund financing.
- **South San Luis Obispo County Sanitation District:** Developed 10-year financial plan and wastewater treatment rate recommendations. Recommended a multi-year phase-in of rate increases to support financial stability and construction of \$37 million project to address permit requirements and improve reliability. Served as financial advisor on issuance of \$27 million of wastewater revenue bonds and \$4.5 million low-interest rate USDA Loan.
- **Cambria Community Services District:** Developed water and sewer rates and capacity charges as well as supplemental water rates to support an emergency desalinated water facility, and updated the District's miscellaneous fees and charges.
- **South Tahoe Public Utility District:** Serves as independent financial advisor on competitive and negotiated bonds sales and 5 competitively bid private placements generating over \$50 million to fund water and sewer capital improvements and refinance outstanding debt to achieve savings.
- **City of Paso Robles:** Developed wastewater financial plan and rate study designed to restore the wastewater enterprise's financial stability and meet future capital funding needs. Recommended modifications to the wastewater rate structure designed to improve revenue stability and align rates with the cost of providing service.

Alex T. Handlers, continued

- **City of Redwood City:** Developed water and sewer financial plans and utility rate studies designed to support long-term operating and capital needs while providing a defensible cost-justification for the City's utility rates. Recommended a number of modifications to the City's water and sewer rate structures. Recommended adoption of a new Water Supply Capacity Fee to recover recycled water facility costs.
- **Monterey One Water (formerly Monterey Regional Water Pollution Control Agency):** Developed a long-term financial plan, sewer rate study, capacity charge study, and update of other fees and charges.
- **City of San Carlos:** Developed sewer enterprise financial plan and rate study designed to support legally-required sewer collection system capacity improvements, long-term pipeline replacements, and over \$120 million for the City's share of costs for rebuilding the regional wastewater treatment plant. Evaluated residential rate alternatives and recommended modifications to the City's sewer rate structure designed to improve rate equity and align rates with the cost of service.
- **Joshua Basin Water District:** Long-term financial plan and water rate study recommending a gradual increase in water rates coupled with rate structure modifications to provide additional conservation incentive. Updated District's connection fees. Worked closely with a community advisory committee to evaluate rate options and develop final recommendations.
- **City of Mountain View:** Developed 10-year water and wastewater financial plans and rate studies. Evaluated water and sewer rate structures and recommended modifications to improve rate equity and compliance with Prop. 218. Updated the City's water and wastewater connection fees.
- **City of San Mateo:** Developed a sewer enterprise financial plan and rate recommendations supporting funding for a roughly \$900 million wastewater capital improvement program needed to improve wet weather capacity and rebuild the City's aging wastewater treatment plant.
- **Ramona Municipal Water District:** Developed 10-year financial plans, wastewater rates and capacity charges for the District's two separate sewer service areas.
- **City of Sunnyvale:** Developed sewer enterprise financial projections and rate recommendations. Updated the City's water and sewer capacity charges levied on new development.
- **City of San Bruno:** Developed 10-year water and wastewater financial plans and rate studies. Evaluated water and sewer rate structures and recommended modifications to improve rate equity and increase conservation incentive. Incorporated input from the City Council's Utilities Committee.
- **City of East Palo Alto:** Developed water rates, a water system capital improvement charge, and a meter replacement program surcharge.
- **San Francisco Public Utilities Commission:** Developed financial projections supporting over \$1 billion of bonds issued to help fund a 10-year, \$4.3 billion upgrade to the Hetch-Hetchy regional water system.
- **East Palo Alto Sanitary District:** Developed a wastewater financial plan and rate study that restored District's financial health. Updated District capacity fees.
- **Alameda County Water District:** Comprehensive development fee study; recommended a series of modifications to existing charges to improve revenue recovery, equity and fee administration.
- **City of Fresno:** Developed wastewater enterprise financial plan and Excel-based financial model that is used by City staff to update projections. Developed new water connection fees designed to recover costs of existing facilities and future supplemental water supply projects benefiting new development.

Section 2: Proposed Scope of Services

This section presents a draft scope of services that we believe forms a sound basis for completing this assignment. Bartle Wells Associates will work with the Cambria Community Services District to *finalize a scope of services that meets the District's objectives and schedule.*

PHASE A. WATER & SEWER FINANCIAL PLAN UPDATES

TASK A-1. PROJECT INITIATION & DATA COLLECTION

1. Project Team Orientation

To initiate our work, hold a conference call with the District to accomplish the following:

- Identify members of District staff, Board Members, engineering consultants, and other consultants/advisors who will participate in the project.
- Determine the roles and responsibilities of all project participants.
- Identify other parties that may have a significant interest in the project, such as community groups, business organizations, and large customers.
- Establish project schedule and key milestone dates.
- Confirm the key goals and expectations of the District's project team.

2. Investigation and Data Collection

Assemble the information necessary to develop updated financial and rate projections. Assistance and cooperation of District staff will be needed to assemble the relevant information which will include historical financial data from recent years, current budget, updated capital improvement plans, updated customer and usage data, and other information as needed.

Task A-1 Deliverables

- Project kickoff conference call or online meeting
- List of information needs and key questions
- Identification of project goals and objectives
- Project team contact list
- Draft project schedule

TASK A-2. 10-YEAR FINANCIAL PLAN UPDATES

1. Develop Forecasts and Projections

Based on evaluation of the data assembled and input provided by staff and other members of the project team, prepare forecasts and projections to be used in the development of financial projections for the District's water and sewer utilities. Develop projections for the following areas (and others as appropriate):

Capital Improvement Needs & Long-Term Repairs & Replacements: Based on input from District staff, determine a reasonable amount to include for required near-term capital improvement needs as well as future ongoing repairs and replacements to aging infrastructure.

Operating & Maintenance Needs & Cost Escalation Factors: Work with project team to develop reasonable cost estimates for future annual operating and maintenance expenses as well as cost escalation factors for both operating and capital expenditures. Work with staff to estimate potential new operating costs, such as new O&M costs related to planned capital improvements, or costs for complying with future permit requirements.

Water & Sewer Demand: With District input, develop forecasts of the overall level of water and sewer sales. Evaluate alternatives as needed, such as reduced levels of demand due to drought.

Other Financial Projections: With District input, develop reasonable and slightly conservative assumptions for future growth, investment earnings, and other relevant financial variables.

Review projections with District staff for agreements on assumptions, interpretation of data, and completeness of approach.

2. Evaluate Financing Alternatives for Capital Improvements

Evaluate options for financing proposed capital improvement projects. Our evaluation will:

- Estimate the amount and timing of any debt, if needed, to finance capital projects.
- Evaluate the alternative borrowing methods available including bonds, COPs, state and federal loan programs, bank loans and lines of credit, and other options.
- Recommend the appropriate type of debt, its term and structure.
- Evaluate possible combinations of financing methods, such as partial pay-as-you-go cash funding supplemented by debt when needed.

3. Review & Establish Prudent Minimum Fund Reserve Targets

Evaluate the adequacy of the District's current water and sewer enterprise fund reserves. Establish prudent minimum fund reserve targets based on the District's operating and capital funding projections. Develop an implementation plan for achieving and maintaining the recommended reserve fund levels.

4. Develop 10-Year Cash Flow Projections & Evaluate Financial Scenarios

Develop cash flow projections showing the financial position of the District's water and sewer enterprises, as well as the water reclamation facility, over the next 10 years. The cash flows will project fund balances, revenues, expenses, and debt service coverage, and will incorporate the forecasts developed with staff input, including funding needs for future repairs and replacements. After developing a base-case cash flow scenario, we can develop alternatives for additional evaluation such as capital project alternatives, project financing alternatives, the impacts of different levels of conservation and water sales, etc. During this phase, BWA will work closely with the project team to develop and hone financial and rate projections. BWA typically recommends that rate increases be phased in over time to minimize the annual impact on ratepayers.

5. Meet with District to Discuss Findings, Recommendations & Alternatives

Meet with District to present findings and preliminary recommendations, discuss alternatives, and gain ongoing input for development and refinement of recommendations.

Task A-2 Deliverables

- Summary of 10-year capital improvement funding needs and/or alternatives for evaluation
- Evaluation of financing alternatives for capital improvements
- Recommendations for minimum fund reserve targets
- 10-year financial projections for the water, water reclamation, and sewer utilities
- Online meeting with District to present findings, discuss alternatives, and gain input

TASK A-3. PRESENTATIONS & TECHNICAL MEMORANDUM

1. Board Meetings/Study Sessions (2 Online Board Meetings)

Present findings and recommendations (and/or alternatives) to the Board of Directors for input and discussion. Board input will be incorporated into final recommendations.

2. Draft a Technical Memorandum

Develop draft technical memorandum summarizing key findings and recommendations. Receive input from the District and incorporate into a final version.

Task A-3 Deliverables

- Participation in up to 2 meetings with Board of Directors to present findings, answer questions, and receive input
- PowerPoint presentation summarizing key findings & recommendations
- Draft and final technical memos

PHASE B. WATER & SEWER RATE INCREASES (OPTIONAL)

TASK B-1. WATER, WATER RECLAMATION & SEWER RATE INCREASES

1. Conduct Regional Rate Survey

Review and summarize water and sewer rates of other regional and/or comparable agencies. Summarize results in easily understandable tables and/or charts.

2. Analyze Consumption & Utility Billing Data

Analyze current and historical water utility billing data to determine reasonable and conservative estimates of water demand to use in financial projections. Evaluate impact of Covid-19 on water use.

3. Evaluate Rate Increase Options

Based on the cash flow projections, determine the annual revenue requirements for the District's water, water reclamation, and sewer enterprises and project required utility rate increases to meet the District's projected funding needs. Evaluate the financial impact of various rate adjustment alternatives, such as phasing in required rate increases over a number of years. If appropriate, develop a reduced rate alternative for each utility and evaluate impacts on the District's ability to fund capital projects.

4. Evaluate Rate Impacts on District Customers

Calculate the rate impacts of each rate alternative on a range of utility customers (e.g. different customer classes, customers with different levels of water or sewer use, etc).

5. Develop Preliminary & Final Rate Recommendations

Develop draft rate recommendations. The recommendations can include a multi-year phase in of both overall rate increases and proposed rate structure modifications. Review preliminary recommendations and key alternatives with the District to gain additional input. Based on input received, develop final draft water and sewer rate recommendations.

6. Meet with District to Discuss Findings, Recommendations & Alternatives

Meet with District to present findings and preliminary recommendations, discuss alternatives, and gain ongoing input for development and refinement of recommendations.

7. Assist District with the Proposition 218 Rate Increase Process

Assist District with all phases of adopting updated rates pursuant the process established by Proposition 218. BWA will draft the required Proposition 218 Notice and remain available to assist with coordination of printing and mailing of the notice. BWA recommends the notice go beyond the minimum legal requirements and provide clear and concise explanation of the reasons for any rate increases or adjustments. We have found that ratepayers are generally much more accepting of rate increases or rate structure modification when they understand the reasons underlying the changes.

Task B-1 Deliverables

- Utility rate surveys
- Analysis of utility billing data
- Evaluation of rate alternatives and their impacts
- Preliminary and final rate recommendations
- Meet with District to discuss findings/recommendations/alternatives & gain input
- Assistance with Proposition 218 Rate Increase Process

TASK B-2. PRESENTATIONS, REPORT, RATE ADOPTION

1. Board Meetings/Committee Meetings (2 Online Board/Committee Meetings)

Present findings and recommendations (and/or alternatives) to the full Board of Directors for input and discussion. Board input will be incorporated into final recommendations.

2. Proposition 218 Rate Hearing (1 Public Hearing)

Attend the Proposition 218 Rate Hearing, provide a summary presentation explaining key findings and recommendations, and remain available to respond to questions.

3. Draft Report & Proposition 218 Notice

Develop draft a draft reports summarizing key findings and recommendations. Receive input on draft report from the District and incorporate into a final report. Draft a Proposition 218 Notice of proposed rate increases and incorporate input from the District and the District's legal counsel.

4. Public Education and Consensus-Building

Rate and fee adjustments are often controversial. BWA has extensive experience developing clear presentations that facilitate public understanding of the need for rate increases. We understand the importance of building consensus and public acceptance for our recommendations and can assist the District in developing public education materials.

Task B-2 Deliverables

- Participation in up to 3 additional meetings with the Board/Budget Committee including participation at the Proposition 218 Rate Hearing
- PowerPoint presentation summarizing key findings & recommendations
- Draft and final reports for the rate studies and capacity fee updates
- Draft and final Proposition 218 rate notice
- Assistance with public outreach efforts

ESTIMATED PROJECT BUDGET

PROJECT TASK	COST ESTIMATE
PHASE A. WATER & SEWER FINANCIAL PLAN UPDATES	
TASK A-1. PROJECT INITIATION & DATA COLLECTION	
1. Project Team Orientation / Kickoff Meeting	\$2,000
2. Investigation & Data Collection	
TASK A-2. 10-YEAR FINANCIAL PLAN UPDATES	
1. Develop Forecasts & Projections	\$12,000
2. Evaluating Financing Alternatives for Capital Improvements	
3. Review & Establish Prudent Minimum Fund Reserve Targets	
4. Develop 10-Year Financial Projections & Evaluate Scenarios	
5. Meet with District to Discuss Findings & Gain Input	
TASK A-3. PRESENTATIONS & TECHNICAL MEMORANDUM	
1. Board Meetings/Study Sessions (2 Online Board Meetings)	\$2,000
2. Prepare Draft & Final Technical Memorandum	
SUBTOTAL	\$16,000
PHASE B. WATER & SEWER RATE INCREASES (OPTIONAL)	
TASK B-1. WATER, RECLAIMED WATER, & SEWER RATE INCREASES	
1. Conduct Survey of Regional Water & Sewer Rates	\$6,000
3. Analyze Consumption & Utility Billing Data	
3. Evaluate Rate Increase Options	
4. Evaluate Rate Impacts on District Customers	
5. Develop Preliminary & Final Rate Recommendations	
6. Meet with District to Discuss Findings & Gain Input	
7. Assist District with Proposition 218 Rate Increase Process	
TASK B-2. PRESENTATIONS, REPORTS, RATE ADOPTION	
1. Board/Committee Meetings (2 Board/Committee Meetings)	\$5,000
2. Proposition 218 Rate Hearing (1 Public Hearing)	
3. Draft Report & Prop 218 Notice	
4. Public Education & Consensus-Building (as needed)	
SUBTOTAL	\$11,000
TOTAL PROJECT BUDGET	\$27,000



BARTLE WELLS ASSOCIATES
BILLING RATE SCHEDULE 2021
 Rates Effective 1/1/2021

Professional Services

Financial Analyst I	\$110 per hour
Financial Analyst II	\$135 per hour
Consultant	\$165 per hour
Project Consultant	\$180 per hour
Senior Consultant	\$195 per hour
Senior Project Manager	\$225 per hour
Principal Consultant.....	\$265 per hour

The hourly rates for professional services include all overhead and indirect expenses. Bartle Wells Associates does not charge for administrative support services. Expert witness, legal testimony, or other special limited assignments will be billed at one and one-half times the consultant's hourly rate.

The above rates will be in effect through December 31, 2021 at which time they will be subject to change.

Direct Expenses

Subconsultants will be billed at cost plus ten percent. Other reimbursable direct expenses incurred on behalf of the agency will be billed at cost plus ten percent. These reimbursable costs include, but are not limited to:

- Travel, meals, lodging
- Printing and photocopying
- Special statistical analysis
- Outside computer services
- Bond ratings
- Automobile mileage
- Messenger services and mailing costs
- Graphic design and photography
- Special legal services
- Legal advertisements

Insurance

Bartle Wells Associates maintains insurance in the amounts and coverage as provided in the attached schedule of insurance. Additional or special insurance, licensing, or permit requirements beyond what is shown on the schedule of insurance are billed in addition to the contract amount.

Payment

Fees are typically billed monthly for the preceding month and will be payable within 30 days of the date of the invoice. A late charge of 1.0 percent per month may be applied to balances unpaid after 60 days.

SCHEDULE OF INSURANCE

Insured: BARTLE WELLS ASSOCIATES

Bartle Wells Associates will maintain in force, during the full term of the assignment, insurance in the amounts and coverage as provided in this schedule. If additional insurance is required, and the insurer increases the premium as a result, then the amount of the increase will be added to the contract price.

TYPE OF INSURANCE	COMPANY POLICY NUMBER	COVERAGES AND LIMITS	EXP. DATE
Commercial General Liability	Hartford Insurance Company Policy #35-SBA PA6857	<ul style="list-style-type: none"> ■ \$2,000,000 General Aggregate ■ \$2,000,000 Products Comp/Op Aggregate ■ \$2,000,000 Personal & Advertising Injury ■ \$1,000,000 Each Occurrence 	6/1/22
Excess/Umbrella Liability	Hartford Insurance Company Policy #35-SBA PA6857	<ul style="list-style-type: none"> ■ \$1,000,000 Aggregate ■ \$1,000,000 Each Occurrence 	6/1/22
Automobile Liability	Hartford Insurance Company Policy #35-UEC VU2842	<ul style="list-style-type: none"> ■ \$1,000,000 Combined Single Limit 	6/1/22
Workers Compensation & Employers' Liability	Hartford Underwriters Insurance Company Policy #35-WEC FG7858	<p>Workers' Compensation: Statutory Limits for the State of California. Employers' Liability:</p> <ul style="list-style-type: none"> ■ Bodily Injury by Accident - \$1,000,000 each accident ■ Bodily Injury by Disease - \$1,000,000 each employee ■ Bodily Injury by Disease - \$1,000,000 policy limit 	6/1/22
Professional Liability	Chubb & Son, Inc. BINDO94045	<p>Solely in the performance of services as municipal financing consultants for others for a fee.</p> <p>Limit: \$2,000,000 Per Occurrence & Aggregate (including defense costs, charges, and expenses)</p>	6/1/22

AGREEMENT FOR CONSULTANT SERVICES

This AGREEMENT FOR CONSULTANT SERVICES (“Agreement”) is made and effective as of August 27, 2021, between **BARTLE WELLS ASSOCIATES** (“Consultant”), and the **CAMBRIA COMMUNITY SERVICES DISTRICT**, a political subdivision of the State of California (“District”). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM

This Agreement shall commence on August 27, 2021 and shall remain and continue in effect until completion of the work described in Consultant’s proposal, unless sooner terminated pursuant to the provisions of this Agreement.

2. SERVICES

Consultant shall perform the tasks described and comply with all terms and provisions set forth in Consultant’s proposal dated August 25, 2021 (the “Proposal”), attached hereto as Exhibit “A” and incorporated herein by this reference.

3. PERFORMANCE

Consultant shall at all times faithfully, competently and to the best of his/her ability, experience and talent, perform all tasks described herein. Consultant shall employ, at a minimum generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

4. AGREEMENT ADMINISTRATION

District’s General Manager, John F. Weigold, IV, shall represent District in all matters pertaining to the administration of this Agreement. Alex Handlers shall represent Consultant in all matters pertaining to the administration of this Agreement.

5. PAYMENT

The District agrees to pay the Consultant in accordance with the payment rates and terms set forth in Exhibit A, in monthly progress payments based on time spent on each task.

6. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

(a) The District may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise.

If the District suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the District shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the District. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the District pursuant to Section 5.

7. **TERMINATION ON OCCURRENCE OF STATED EVENTS**

This Agreement shall terminate automatically on the occurrence of any of the following events:

- (a) The completion of the work specified in Exhibit A.
- (b) Bankruptcy or insolvency of any party;
- (c) Sale of Consultant's business;
- (d) Assignment of this Agreement by Consultant without the consent of District.

8. **DEFAULT OF CONSULTANT**

(a) The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, District shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to the Consultant. If such failure by the Consultant to make progress in the performance of work hereunder arises out of causes beyond the Consultant's control, and without fault or negligence of the Consultant, it shall not be considered a default.

(b) If the District Manager or his/her delegate determines that the Consultant is in default in the performance of any of the terms or conditions of this Agreement, he/she shall cause to be served upon the Consultant a written notice of the default. The Consultant shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the District shall have the right, notwithstanding any other provision of this Agreement to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

9. **LAWS TO BE OBSERVED.** Consultant shall:

(a) Procure all permits and licenses, pay all charges and fees, and give all notices which may be necessary and incidental to the due and lawful prosecution of the services to be performed by Consultant under this Agreement;

(b) Keep itself fully informed of all existing and proposed federal, state and local laws, ordinances, regulations, orders, and decrees which may affect those engaged or employed under this Agreement, any materials used in Consultant's performance under this Agreement, or the conduct of the services under this Agreement;

(c) At all times observe and comply with, and cause all of its employees to observe and comply with all of said laws, ordinances, regulations, orders, and decrees mentioned above;

(d) Immediately report to the District's General Manager in writing any discrepancy or inconsistency it discovers in said laws, ordinances, regulations, orders, and decrees mentioned above in relation to any plans, drawings, specifications, or provisions of this Agreement; and

(e) The District, and its officers, agents and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

10. **OWNERSHIP OF DOCUMENTS**

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by District that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of District or its designees at reasonable times to such books and records; shall give District the right to examine and audit said books and records; shall permit District to make transcripts therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the District and may be used, reused, or otherwise disposed of by the District without the permission of the Consultant. With respect to computer files, Consultant shall make available to the District, at the Consultant's office and upon reasonable written request by the District, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files.

11. INDEMNIFICATION

(a) Indemnification for Professional Liability. When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless District and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or subcontractors (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this agreement.

(b) Indemnification for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless District, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

(c) General Indemnification Provisions. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this agreement. In the event Consultant fails to obtain such indemnity obligations from others as required here, Consultant agrees to be fully responsible according to the terms of this section. Failure of District to monitor compliance with these requirements imposes no additional obligations on District and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend District as set forth here is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this agreement or this section.

(d) Indemnification for Design Professional Services. Notwithstanding anything herein to the contrary, to the fullest extent permitted by law for all design professional services arising under this Agreement, Consultant shall indemnify, protect, defend and hold harmless District and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs which arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

12. INSURANCE

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit "B," attached hereto and incorporated herein as though set forth in full.

13. INDEPENDENT CONSULTANT

(a) Consultant is and shall at all times remain as to the District a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither District nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the District. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against District, or bind District in any manner.

(b) No employee benefits shall be available to Consultant in connection with performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, District shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for District. District shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

14. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure was or is used against or in concert with any officer or employee of the Cambria Community Services District in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the Cambria Community Services District will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the District to any and all remedies at law or in equity.

15. NO BENEFIT TO ARISE TO LOCAL EMPLOYEES

No member, officer, or employee of District, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the project performed under this Agreement.

16. **RELEASE OF INFORMATION/CONFLICTS OF INTEREST**

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without District's prior written authorization. Consultant, its officers, employees, agents, or subcontractors, shall not without written authorization from the District Manager or unless requested by the District Counsel, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the District. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives District notice of such court order or subpoena.

(b) Consultant shall promptly notify District should Consultant, its officers, employees, agents, or subContractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the District. District retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding. Consultant agrees to cooperate fully with District and to provide the opportunity to review any response to discovery requests provided by Consultant. However, District's right to review any such response does not imply or mean the right by District to control, direct, or rewrite said response.

17. **NOTICES**

Any notice which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To District: John F. Weigold, IV, District Manager
Cambria Community Services District
PO Box 65
Cambria, CA 93428

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

To Consultant: Bartle Wells Associates
 1889 Alcatraz Avenue
 Berkeley, CA 94703

18. **ASSIGNMENT**

The Consultant shall not assign the performance of this Agreement, nor any part thereof, without the prior written consent of the District.

19. **GOVERNING LAW**

The District and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the superior or federal district court with jurisdiction over the Cambria Community Services District.

20. **ENTIRE AGREEMENT**

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

21. **TIME**

District and Consultant agree that time is of the essence in this Agreement.

22. **CONTENTS OF PROPOSAL**

Consultant is bound by the contents of the Proposal submitted by the Consultant, Exhibit A, attached hereto and previously incorporated herein. In the event of a conflict between Consultant's Proposal and this Agreement, the terms of the Agreement shall prevail.

23. **CONSTRUCTION**

The parties agree that each has had an opportunity to have their counsel review this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments or exhibits thereto. The captions of the sections are for convenience and reference only, and are not intended to be construed to define or limit the provisions to which they relate.

24. **AMENDMENTS**

Amendments to this Agreement shall be in writing and shall be made only with the mutual written consent of all of the parties to this Agreement.

25. **AUTHORITY TO EXECUTE THIS AGREEMENT**

The person or persons executing this Agreement on behalf of Consultant warrants and represents that he/she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

**CAMBRIA COMMUNITY SERVICES
DISTRICT**

BARTLE WELLS ASSOCIATES

By: _____
John F. Weigold, IV, District Manager

By: _____
Alex Handlers, Principal/Vice-President

ATTEST:

Ossana Terterian, Board Secretary

Approved As To Form:

Timothy J. Carmel, District Counsel

EXHIBIT A
CONSULTANT'S PROPOSAL

EXHIBIT B

INSURANCE REQUIREMENTS

Prior to the beginning of and throughout the duration of the Work, Consultant will maintain insurance in conformance with the requirements set forth below. Consultant will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Consultant agrees to amend, supplement or endorse the existing coverage to do so. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to District in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to District.

Consultant shall provide the following types and amounts of insurance:

Commercial General Liability Insurance using Insurance Services Office "Commercial General Liability" policy from CG 00 01 or the equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Business Auto Coverage on ISO Business Auto Coverage from CA 00 01 including symbol 1 (Any Auto) or the equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Consultant owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Consultant or Consultant's employees will use personal autos in any way on this project, Consultant shall provide evidence of personal auto liability coverage for each such person.

Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000 per accident or disease.

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designated to protect against acts, errors or omissions of the Consultant and "Covered Professional Services" as designated in the policy must specifically include work performed under this agreement. The policy limit shall be no less than \$1,000,000 per claim and in the aggregate. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend the insured. The policy retroactive date shall be on or before the effective date of this agreement.

Insurance procured pursuant to these requirements shall be written by insurer that are admitted carriers in the state California and with an A.M. Bests rating of A- or better and a minimum financial size VII.

General conditions pertaining to provision of insurance coverage by Consultant. Consultant and District agree to the following with respect to insurance provided by Consultant:

1. Consultant agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds District, its officials employees and agents, using standard ISO endorsement No. CG 2010 with an edition prior to 1992 or current equivalent. Consultant also agrees to require all consultants, and subcontractors to do likewise.

2. No liability insurance coverage provided to comply with this Agreement shall prohibit Consultant, or Consultant's employees, or agents, from waiving the right of subrogation prior to a loss. Consultant agrees to waive subrogation rights against District regardless of the applicability of any insurance proceeds, and to require all Consultants and subcontractors to do likewise.

3. All insurance coverage and limits provided by Consultant and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the District or its operations limits the application of such insurance coverage.

4. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to District and approved of in writing.

5. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any Consultant or subcontractor.

6. All coverage types and limits required are subject to approval, modification and additional requirements by the District, as the need arises. Consultant shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect District's protection without District's prior written consent.

7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Consultant's general liability policy, shall be delivered to District at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, District has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other agreement

and to pay the premium. Any premium so paid by District shall be charged to and promptly paid by Consultant or deducted from sums due Consultant, at District option.

8. Certificate(s) are to reflect that the insurer will provide 30 days notice to District of any cancellation of coverage. Consultant agrees to require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, or that any party will “endeavor” (as opposed to being required) to comply with the requirements of the certificate.

9. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by Consultant or any subcontractor, is intended to apply first and on a primary, noncontributing basis in relation to any other insurance or self insurance available to District.

10. Consultant agrees to ensure that subcontractors, and any other party involved with the project that is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the project will be submitted to District for review.

11. Consultant agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any Consultant, subcontractor, Architect, Engineer or other entity or person in any way involved in the performance of work on the project contemplated by this agreement to self-insure its obligations to District. If Consultant’s existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the District. At the time the District shall review options with the Consultant, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.

12. The District reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the District will negotiate additional compensation proportional to the increase benefit to District.

13. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.

14. Consultant acknowledges and agrees that any actual or alleged failure on the part of District to inform Consultant of non-compliance with any insurance requirements in no way imposes any additional obligations on District nor does it waive any rights hereunder in this or any other regard.

15. Consultant will renew the required coverage annually as long as District, or its employees or agents face an exposure from operations of any type pursuant to this agreement. This obligation applies whether or not the agreement is canceled or terminated for any reason. Termination of this obligation is not effective until District executes a written statement to that effect.

16. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Consultant's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to District within five days of the expiration of the coverages.

17. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to District, its employees, officials and agents.

18. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.

19. These insurance requirements are intended to be separate and distinct from any other provision in this Agreement and are intended by the parties here to be interpreted as such.

20. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.

21. Consultant agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge District or Consultant for the cost of additional insurance coverage required by this agreement. Any such provisions are to be deleted with reference to District. It is not the intent of District to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against District for payment of premiums or other amounts with respect thereto.

22. Consultant agrees to provide immediate notice to District of any claim or loss against Consultant arising out of the work performed under this agreement. District

assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve District.