

**BENICIA CITY COUNCIL
REGULAR MEETING AGENDA**

**City Council Chambers
December 01, 2015
7:00 PM**

*Times set forth for the agenda items are estimates.
Items may be heard before or after the times designated.*

I. CALL TO ORDER (7:00 PM):

II. CLOSED SESSION:

III. CONVENE OPEN SESSION:

A. ROLL CALL.

B. PLEDGE OF ALLEGIANCE.

C. REFERENCE TO THE FUNDAMENTAL RIGHTS OF THE PUBLIC.

A plaque stating the fundamental rights of each member of the public is posted at the entrance to this meeting room per section 4.04.030 of the City of Benicia's Open Government Ordinance.

IV. ANNOUNCEMENTS/PROCLAMATIONS/APPOINTMENTS/PRESENTATIONS:

A. ANNOUNCEMENTS.

1. Announcement of action taken at Closed Session, if any.

2. Openings on Boards and Commissions:

Arts and Culture Commission

1 unexpired term

open until filled – Note: Status of current opening subject to change based on Consent Item VII.C

Library Board of Trustees
1 unexpired term
open until filled

Benicia Housing Authority
1 unexpired term (Tenant)
open until filled

Community Sustainability Commission
2 unexpired terms
1 student commissioner term
open until filled

Open Government
1 unexpired term
open until filled

3. Mayor's Office Hours:

Mayor Patterson will maintain an open office every Monday (except holidays) in the Mayor's Office of City Hall from 6:00 p.m. to 7:00 p.m. No appointment is necessary. Other meeting times may be scheduled through the City Hall office at 746-4200.

4. Benicia Arsenal Update

Update from City Attorney

B. PROCLAMATIONS.

C. APPOINTMENTS.

D. PRESENTATIONS.

1. ECONOMIC DEVELOPMENT ANNUAL PRESENTATION

V. ADOPTION OF AGENDA:

VI. OPPORTUNITY FOR PUBLIC COMMENT:

This portion of the meeting is reserved for persons wishing to address the Council on any matter not on the agenda that is within the subject matter jurisdiction of the City Council. State law prohibits the City Council from responding to or acting upon matters not listed on the agenda. Each speaker has a maximum of five minutes for public comment. If others have already expressed your position, you may simply indicate that you agree with a previous speaker. If appropriate, a spokesperson

may present the views of your entire group. Speakers may not make personal attacks on council members, staff or members of the public, or make comments which are slanderous or which may invade an individual's personal privacy.

A. WRITTEN COMMENT.

B. PUBLIC COMMENT.

VII. CONSENT CALENDAR (7:30 PM):

Items listed on the Consent Calendar are considered routine and will be enacted, approved or adopted by one motion unless a request for removal or explanation is received from a Council Member, staff or member of the public. Items removed from the Consent Calendar shall be considered immediately following the adoption of the Consent Calendar.

A. APPROVAL OF THE MINUTES OF THE NOVEMBER 17, 2015 CITY COUNCIL MEETING. (City Clerk)

B. ADOPTION OF THE 2016 CITY COUNCIL REGULAR MEETING CALENDAR. (City Manager)

The Open Government Ordinance (Section 4.08.040 of Ordinance No. 05-6) states that each body established by ordinance shall establish and publish an annual schedule of regular meetings. The proposed calendar lists the City Council's regular meeting dates for 2016.

Recommendation: Adopt, by motion, the 2016 City Council Regular Meeting Calendar.

C. SECOND READING OF AN AMENDMENT TO THE ARTS AND CULTURE COMMISSION'S ORDINANCE CHANGING THE NUMBER OF COMMISSIONERS FROM NINE TO SEVEN. (Library Director)

The Arts and Culture Commission (ACC), has requested a change in their ordinance from nine to seven members. They feel that nine members makes it more difficult to reach a quorum, that it is an unwieldy group, and that the commission would function better with seven members. Therefore, the ACC is requesting an amendment to section 2.104.010 of the Municipal Code changing the number of commissions from nine to seven.

Recommendation: Approve a proposed ordinance change to amend Chapter 2.104 (Arts and Culture Commission) of Division 2 (Boards and Commissions) of Title 2 (Administration and Personnel) of the Benicia Municipal Code to revise section 2.104.010 to reduce the number of commissioners from nine to seven.

D. AWARD OF CONTRACT FOR 2015 URBAN WATER MANAGEMENT PLAN. (Public Works Director)

The Department of Water Resources requires that water utilities who retail treated water to their customers must prepare an Urban Water Management Plan (UWMP) every five years. The deadline to submit the 2015 UWMP Update is July 1, 2016. On October 8, 2015, the City issued Requests for Proposal (RFP) to eight firms to assist the City in preparing the 2015 UWMP. In response to the RFP, the City received two proposals from NV5 and Tully & Young. After reviewing the proposals and evaluating their capabilities during an interview process, staff decided that the consulting firm of Tully & Young were the best qualified to prepare the 2015 UWMP for the City.

Recommendation: Authorize City Council to award a consulting contract to Tully & Young, Inc. for the preparation of the 2015 Urban Water Management Plan.

E. UPDATE ON EMERGENCY CONTRACTS FOR CLOCK TOWER ELEVATOR REPLACEMENT. (Parks and Community Services Director)

An inspection identified defects beyond repair, necessitating the immediate removal of the Clock Tower elevator from operation. A number of weddings and other large events had already been scheduled at the Clock Tower through fall. Staff therefore entered into contracts to provide temporary alternate access to the second floor of the Clock Tower that meets Americans with Disabilities Act standards and to purchase and install the permanent replacement elevator. Provided is an update on the status of both the temporary and permanent replacement elevators.

Recommendation: Review the report and affirm by a 4/5 vote that continued emergency contracting by the City Manager is necessary to provide temporary ADA access and to purchase and install a permanent replacement elevator and associated improvements at the Clock Tower.

F. Approval to waive the reading of all ordinances introduced and adopted pursuant to this agenda.

VIII. BUSINESS ITEMS (7:45 PM):

A. AWARD OF CONTRACT FOR WATER METER REPLACEMENT/ADVANCE METERING INFRASTRUCTURE CONSULTANT. (Public Works Director)

On March 13, 2015, the City issued Requests for Qualifications (RFQ) to five firms to provide a Statement of Qualifications (SOQ) and Business Case Analysis (BCA) for the City's upcoming water meter replacement program. If

approved, the program would replace the City's existing, aging, residential and commercial water meters, and also install a remote-read system that is linked to the billing system and allows customer access to water usage and billing data. In response to the RFQ, the City selected three firms (Siemens, Johnson Controls, and Ferguson Waterworks), to submit a formal Proposal to replace the entire water meter system and install an Advanced Metering Infrastructure (AMI). After interviewing each of the firms and carefully reviewing their proposal and interview responses, staff believes that Siemens would be the best project and construction manager to serve the City's needs.

Recommendation: Award a performance-based contract to Siemens Industry, Inc. to manage and construct the Water Meter Replacement/Advanced Metering Infrastructure (AMI) Improvement Project.

B. COUNCILMEMBER SCHWARTZMAN'S REQUEST TO AGENDIZE DISCUSSION OF THE POTENTIAL METROPOLITAN TRANSIT COMMISSION/ASSOCIATION OF BAY AREA GOVERNMENTS (MTC/ABAG) MERGER. (City Manager)

The potential merger of MTC/ABAG may have serious consequences regarding local representation and land use issues. Councilmember Schwartzman wishes to agendize the matter for discussion, to educate the Council and the public on the matter and a potential letter to MTC/ABAG from the City.

Recommendation: Consider Councilmember Schwartzman's request to agendize a discussion of the potential MTC/ABAG merger.

IX. ADJOURNMENT (9:00 PM):

Public Participation

The Benicia City Council welcomes public participation.

Pursuant to the Brown Act, each public agency must provide the public with an opportunity to speak on any matter within the subject matter jurisdiction of the agency and which is not on the agency's agenda for that meeting. The City Council allows speakers to speak on non-agendized matters under public comment, and on agendized items at the time the agenda item is addressed at the meeting. Comments are limited to no more than five minutes per speaker. By law, no action may be taken on any item raised during the public comment period although informational answers to questions may be given and matters may be referred to staff for placement on a future agenda of the City Council.

Should you have material you wish to enter into the record, please submit it to the City Manager.

Disabled Access or Special Needs

In compliance with the Americans with Disabilities Act (ADA) and to accommodate any special needs, if you need special assistance to participate in this meeting, please contact Anne Cardwell, the ADA Coordinator, at (707) 746-4200. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting.

Meeting Procedures

All items listed on this agenda are for Council discussion and/or action. In accordance with the Brown Act, each item is listed and includes, where appropriate, further description of the item and/or a recommended action. The posting of a recommended action does not limit, or necessarily indicate, what action may be taken by the City Council.

Pursuant to Government Code Section 65009, if you challenge a decision of the City Council in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing. You may also be limited by the ninety (90) day statute of limitations in which to challenge in court certain administrative decisions and orders (Code of Civil Procedure 1094.6) to file and serve a petition for administrative writ of mandate challenging any final City decisions regarding planning or zoning.

The decision of the City Council is final as of the date of its decision unless judicial review is initiated pursuant to California Code of Civil Procedures Section 1094.5. Any such petition for judicial review is subject to the provisions of California Code of Civil Procedure Section 1094.6.

Public Records

The agenda packet for this meeting is available at the City Manager's Office and the Benicia Public Library during regular working hours. To the extent feasible, the packet is also available on the City's web page at www.ci.benicia.ca.us under the heading "Agendas and Minutes." Public records related to an open session agenda item that are distributed after the agenda packet is prepared are available before the meeting at the City Manager's Office located at 250 East L Street, Benicia, or at the meeting held in the Council Chambers. If you wish to submit written information on an agenda item, please submit to the City Clerk as soon as possible so that it may be distributed to the City Council. A complete proceeding of each meeting is also recorded and available through the City Clerk's Office.

MINUTES OF THE
REGULAR MEETING – CITY COUNCIL
November 17, 2015

City Council Chambers, City Hall, 250 East L Street, complete proceedings of which are recorded on tape.

I. CALL TO ORDER:

Mayor Patterson called the meeting to order at 7:01 p.m.

II. CLOSED SESSION:

III. CONVENE OPEN SESSION:

A. ROLL CALL

All Council Members were present.

Council Members Campbell and Strawbridge arrived at 7:02 p.m.

B. PLEDGE OF ALLEGIANCE

George Oakes led the Pledge of Allegiance.

C. REFERENCE TO THE FUNDAMENTAL RIGHTS OF PUBLIC

IV. ANNOUNCEMENTS/PROCLAMATIONS/ APPOINTMENTS/PRESENTATIONS:

A. ANNOUNCEMENTS

1. Announcement of action taken at Closed Session, if any.

2. Openings on Boards and Commissions:

Arts and Culture Commission
1 unexpired term
Open until filled

Community Sustainability Commission
2 unexpired terms
1 Student Commissioner term
Open until filled

3. **Mayor's Office Hours:**
4. **Benicia Arsenal Update**

Update from City Attorney

Heather McLaughlin, City Attorney, stated Staff was working on a few agenda items that they hope to have in December, but beyond that there is nothing new to report.

B. PROCLAMATIONS

C. APPOINTMENTS

1. **Appointment of Temma Roby to the Civil Service Commission for an unexpired term ending July 31, 2018**

RESOLUTION 15-128 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA CONFIRMING THE MAYOR'S APPOINTMENT OF TEMMA ROBY TO THE CIVIL SERVICE COMMISSION TO FILL AN UNEXPIRED TERM ENDING JULY 31, 2018

On motion of Mayor Patterson Council adopted Resolution 15-128, on roll call by the following vote:

Ayes: Patterson, Schwartzman, Campbell, Hughes, Strawbridge
Noes: (None)

2. **Appointment of Jennie Dilley to the Parks, Recreation and Cemetery Commission (Student Commissioner) for a one-year term ending July 31, 2016**

RESOLUTION 15-129 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA CONFIRMING THE MAYOR'S APPOINTMENT OF JENNIE DILLEY TO THE PARKS, RECREATION AND CEMETERY COMMISSION (STUDENT COMMISSIONER) FOR A ONE-YEAR TERM ENDING JULY 31, 2016

On motion of Mayor Patterson Council adopted Resolution 15-129, on roll call by the following vote:

Ayes: Patterson, Schwartzman, Campbell, Hughes, Strawbridge
Noes: (None)

D. PRESENTATIONS

1. CITIZENS' ACADEMY GRADUATION
2. BENICIA HISTORICAL MUSEUM ANNUAL PRESENTATION
3. ANNUAL TOURISM PRESENTATION BY JACK WOLF

V. ADOPTION OF AGENDA:

On motion of Vice Mayor Hughes, seconded by Council Member Strawbridge, Council adopted the Agenda, as presented, on roll call by the following vote:

Ayes: Patterson, Schwartzman, Campbell, Hughes, Strawbridge
Noes: (None)

VI. OPPORTUNITY FOR PUBLIC COMMENT:

A. WRITTEN COMMENT

Five items received (copies on file).

B. PUBLIC COMMENT

1. Judith Judson-Baker - Ms. Judson-Baker requested Council reconsider using the goats for weed abatement, as it is causing negative ecological impacts on the community. The goats eat all the vegetation and the rabbits, pheasants, birds, etc. have nowhere to nest.
2. Mayor Patterson - Mayor Patterson discussed the Solano Transportation Authority (STA) award ceremony she attended at the Clock Tower. She was very proud of Benicia.

VII. CONSENT CALENDAR:

Council pulled items VII.F, VII.G, VII.I, and VII.J for discussion.

A. APPROVAL OF THE MINUTES OF THE OCTOBER 20, 2015 CITY COUNCIL MEETING

B. AWARD OF CONTRACT TO WELLS FARGO FOR BANKING AND TREASURY SERVICES

RESOLUTION 15-130 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA APPROVING A CONTRACT WITH WELLS FARGO FOR BANKING AND TREASURY SERVICES

C. MEASURE C FUNDED PROJECT - AUTHORIZE PURCHASE OF

REPLACEMENT IN-CAR CAMERAS FOR TWELVE (12) POLICE PATROL VEHICLES

RESOLUTION 15-131 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA AUTHORIZING THE PURCHASE OF TWELVE (12) REPLACEMENT IN-CAR CAMERAS UTILIZING MEASURE C FUNDS

- D. MILLS ACT CONTRACTS FOR PROPERTIES AT 470 WEST J STREET AND 121 EAST J STREET**

RESOLUTION 15-132 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA DIRECTING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A MILLS ACT CONTRACT FOR 470 WEST J STREET IN THE CITY OF BENICIA (15PLN-00037)

RESOLUTION 15-133 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA DIRECTING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A MILLS ACT CONTRACT FOR 121 EAST J STREET IN THE CITY OF BENICIA (15PLN-00054)

- E. REVIEW AND ACCEPTANCE OF THE INVESTMENT REPORT FOR THE QUARTER ENDED SEPTEMBER 30, 2015**
- F. SECOND READING OF AN AMENDMENT TO BENICIA MUNICIPAL CODE CHAPTER 2.108 TO ALLOW THE COMMUNITY SUSTAINABILITY COMMISSION (CSC) TO ENGAGE IN FUNDRAISING ACTIVITIES AND CONCURRENTLY APPROVE FUNDRAISING GUIDELINES**

ORDINANCE 15-7 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BENICIA AMENDING CHAPTER 2.108 (COMMUNITY SUSTAINABILITY COMMISSION) OF DIVISION 2 (BOARDS AND COMMISSIONS) OF TITLE 2 (ADMINISTRATION AND PERSONNEL) OF THE BENICIA MUNICIPAL CODE BY ADDING A NEW SECTION 2.108.100 (POWERS) TO ESTABLISH FUNDRAISING POWER FOR THE COMMISSION

Council Member Schwartzman and Staff discussed page VII.F.10 item #x. Council Member Schwartzman was concerned whether there was any liability around this. Staff clarified that an individual commissioner could apply to the commission for a commission grant.

Public Comment:

None

On motion of Council Member Schwartzman, seconded by Vice Mayor Hughes, Council approved the Second Reading and Adoption of Ordinance 15-7, on roll call by the following vote:

Ayes: Patterson, Schwartzman, Campbell, Hughes, Strawbridge
Noes: (None)

G. UPDATE ON EMERGENCY CONTRACTS FOR CLOCK TOWER ELEVATOR REPLACEMENT

Council Member Campbell and Staff discussed the time estimate on when the elevator would be up and working. Staff confirmed they have the material for the repair, but they still need to install them. They estimated it should be finished in approximately one month.

Public Comment:

None

On motion of Council Member Strawbridge, seconded by Vice Mayor Hughes, Council approved the Second Reading and Adoption of Ordinance 15-7, on roll call by the following vote:

Ayes: Patterson, Schwartzman, Campbell, Hughes, Strawbridge
Noes: (None)

H. INTRODUCTION AND FIRST READING OF AN AMENDMENT TO THE ARTS AND CULTURE COMMISSION'S ORDINANCE CHANGING THE NUMBER OF COMMISSIONERS FROM NINE TO SEVEN

I. APPROVAL OF AMENDMENT TO AGREEMENT FOR DREDGE ENGINEERING SERVICES RELATED TO THE ANNUAL DREDGING OF THE BENICIA MARINA

RESOLUTION 15-134 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA APPROVING AN AMENDMENT TO THE AGREEMENT FOR DREDGE ENGINEERING SERVICES FOR THE BENICIA MARINA WITH CULLEN-SHERRY & ASSOCIATES, INC. FOR A NOT-TO-EXCEED COST OF \$99,930 AND AUTHORIZING THE CITY MANAGER TO SIGN THE AMENDMENT TO AGREEMENT ON BEHALF OF THE CITY

Per Mayor Patterson's email to Staff, she asked them to describe why Cullen-Sherry was uniquely qualified to perform the contract based on the relationship with the Benicia Harbor Corporation, and what the findings from the last analysis of the dredged material were, and whether there was a trend since 2002 on

pollution or biological issues of concern. Staff confirmed that Cullen-Sherry had been providing surveying services for the Marina dredging since 2002. They understand what is required and have surveyed control points. There are not many companies in the San Francisco Bay Area that provide this type of service. It would be difficult for City Staff to hire a new surveying company and get them up to speed with requirements. City Staff who are not familiar with the work would need to negotiate a scope of services and reasonable fees. This puts the City at a disadvantage, as key staff members have recently resigned. The dredging engineering services appear to be a good area to contract out given the recent loss of Staff. Staff did not have information readily available on the analysis of the dredged materials. They would get back to Council on this issue if necessary.

Council Member Campbell and Staff discussed the one-time and annual costs. He was concerned about the loss the City takes every year. The City needs to get out of the Marina/dredging business, as we continue to lose money every year.

Mayor Patterson stated Council needed to stay focused on what the approval was for tonight, which is whether or not Council would approve the proposed dredging. The future of the Marina plan would be discussed at a workshop early in 2016.

Public Comment:

None

Council Member Campbell discussed Cullen-Sherry's current costs, and whether the costs would change in the future if the City were to hire a civil engineer. He and Staff discussed the costs involved in dredging.

Mayor Patterson and Staff discussed the importance of sticking with Cullen-Sherry, as they have access to the control points. It would cost the City a lot more money if we were to go with another company.

Public Comment:

None

On motion of Council Member Hughes, seconded by Council Member Strawbridge, Council adopted Resolution 15-134, on roll call by the following vote:

Ayes: Patterson, Schwartzman, Campbell, Hughes, Strawbridge
Noes: (None)

J. MONTHLY WATER UPDATE

Council Member Campbell and Staff discussed the monthly water bills citizens receive and where people can find their 2013 costs relative to the present costs.

Public Comment:

None

K. Approval to waive the reading of all ordinances introduced and adopted pursuant to this agenda.

VIII. BUSINESS ITEMS:

A. CITY OF BENICIA COMMITMENT TO COMPACT OF MAYORS

Christina Ratcliffe, Community Development Director, reviewed the staff report.

Vice Mayor Hughes asked Staff for confirmation that the compact would not require the City to do anything additional with the Climate Action Plan. Staff confirmed the City's current Climate Action Plan is over and above what is required by the Compact of Mayors.

Public Comment:

- 1. Craig Snyder - Mr. Snyder spoke in support of this item.

Council Member Schwartzman stated that the City was indeed committing itself to an obligation of spending four hours of staff time for completing the annual report.

On motion of Council Member Strawbridge, seconded by Vice Mayor Hughes, Council approved the City of Benicia's Commitment to the Compact of Mayors , on roll call by the following vote:

Ayes: Patterson, Schwartzman, Campbell, Hughes, Strawbridge

Noes: (None)

B. INTRODUCTION AND FIRST READING OF ORDINANCES RELATING TO A BUILDING SEWER LATERAL INSPECTION AND REPAIR PROGRAM

Council Member Schwartzman discussed prior requests he made to have City Staff reach out to the real estate community, because this issue deals with point-of-sale/real estate. He discussed concern regarding the possibility of people's perception of a conflict of interest on his part. Staff asked the Fair Political

Practices Commission (FPPC) for a ruling on the issue of conflict of interest. The FPPC ruled there was no conflict of interest. However, he chose to recuse himself from the discussion on this item so there would not be the possibility of impropriety or conflict on his part.

Mayor Patterson and Vice Mayor Hughes discussed the issue of Council Member Schwartzman's recusal.

Graham Wadsworth, Public Works Director, reviewed the staff report.

Council Member Campbell and Staff discussed the sewer claims the City receives, and how many of them that the City paid could have been the property owner's responsibility. They also discussed what types of upgrades/improvements would trigger a sewer lateral inspection, and how condos and townhouses that share sewer laterals, would be handled.

Vice Mayor Hughes discussed concern with a few of the six triggers for sewer lateral inspections. He discussed with Staff how they came up with the \$50,000 trigger number? Regarding the 60-day repair timeline, what would happen if a house was in escrow and weather does not permit repairs? The City needs to come up with a way to track the follow-up of the repairs. Vice Mayor Hughes discussed whether the City considered looking at allowing the buyer to ask for a sewer lateral inspection, and leave the issue up to the buyer and seller.

Council Member Strawbridge and Staff discussed whether there was another way to implement the program rather than the point-of-sale method. There are two ways that could trigger inspection: 1) point of sale and 2) having more than two problems in two years.

Mayor Patterson discussed the benefits and needs of the program. She was very supportive of the point-of-sale option, as long as we provide some flexibility as described in the proposed ordinance. If the City didn't do the point-of-sale, one solution might be to have a surcharge so we could fund the tracking/research at the County, etc., which does not seem fair.

Heather McLaughlin, City Attorney, discussed the issue of the \$50,000 trigger, what constituted "substantial improvement" to a home (50% of market value) and suggested changing it to 50% of the assessed value.

Council Member Campbell and Staff discussed how many sewer claims the City received in 2014. They discussed whether it was better to actively or passively look for leaks.

Public Comment:

1. George Oakes - Mr. Oakes discussed the realtor/stakeholder meeting that took place. There is no trigger that has occurred that was associated with the point-of-sale. He discussed concern regarding placing the burden on the homeowners. The City should put a 20-year certification plan in place

for homeowners to review their sewer lateral. Council and Staff discussed the pros and cons of a 20-year program and point-of-sale program.

2. Eileen Stern - Ms. Stern discussed her concern regarding the point-of-sale program, was supportive of the 60-day implementation. She discussed concern regarding the inability to track “for sale by owner” homes and out-of-town realtors. The repairs should not be dictated to the seller - it should be a negotiable item.
3. Judith Judson-Baker - Ms. Judson-Baker spoke against attacking homeowners with the point-of-sale program. She talked about using smoke bombs in the sewers to see where there might be leaks, as they did in Biloxi, Mississippi.

Vice Mayor Hughes discussed being okay with the point-of-sale program, however the language was confusing. He suggested using the language from section 13.80.130 to section 13.80.100 as it allows the buyer and seller to negotiate.

Ms. McLaughlin stated that section 13.80.100 could be clarified to reflect Section 13.80.130. She also suggested clarifying the issue further by adding a section to the ordinance that states whenever the chapter requires the property owner (on a sale) to do the inspection or repair, the property owner and the buyer can negotiate.

Vice Mayor Hughes discussed the need to simplify the ordinance. He could agree to the point-of-sale if there was some flexibility added. The buyer and seller should be able to negotiate on the issue. He discussed the issue of Home Owner Associations (HOA) and why we are treating the HOA's differently than the rest of the home owners, and how to track when a home is sold (use water bills).

Mayor Patterson stated there was a potential direction to Staff to change it to the 50% assessed valuation and to negotiate between buyer/seller.

Mayor Patterson asked Council to come up with something they could live with, and to revisit the issue in one year to see what is and isn't working.

Brad Kilger, City Manager, stated it seemed as if Council was not close to coming up with something they could live with.

Vice Mayor Hughes discussed his previously stated concerns.

Mayor Patterson asked if this issue were to go back to Staff with the requested changes, and it were brought back to Council for a vote, was that something Council could support?

Council Member Campbell suggested removing most of the triggers.

Council Member Strawbridge agreed with Council Member Campbell. She

suggested going after the problematic sewer lines. The proposed ordinance is too far-reaching. She suggested educating the local realtors on possibly including sewer inspections when the other items (roof, etc.) are inspected.

Ms. McLaughlin said it sounded like this ordinance might need to die. Mayor Patterson stated that was what she was hearing. She cautioned waiting until the issue was enforced at a higher level, as it would cost a lot more.

Council Member Campbell and Mayor Patterson discussed what Council did and did not agree to at a previous meeting regarding sewer lateral inspections.

Vice Mayor Hughes discussed being okay with 5 of the 6 triggers. He suggested approving the ordinance with 5 of the 6 triggers and eliminate the point-of-sale issue.

Mayor Patterson summarized that Council had a request to send this back to Staff to eliminate the point-of-sale, refer to the staff report on page VIII.B.3 and go with items 1, 3, 4, 5, and 6.

Vice Mayor Hughes also suggested eliminating the common interest development section, so the homeowner would only have to do something if triggers 1,3,4,5 or 6 occurred.

Mayor Patterson and Vice Mayor Hughes discussed how this would affect common areas/HOA's. Mayor Patterson suggested giving some options for common areas if Staff could find some data to suggest it should be handled differently.

Vice Mayor Hughes discussed the need for the City allowing some flexible time if there is a hardship for HOA's.

Mayor Patterson suggested sending this back to Staff, with the direction support the ordinance with the exception of point-of-sale, and have all the trigger points apply to the common areas.

Mr. Kilger clarified that Council was removing real estate transactions from the ordinance. It is basically failures that trigger an inspection.

Mayor Patterson asked for a vote on concurrent direction to Staff.

On motion of Council approved the direction to Staff by minute action, on roll call by the following vote:

Ayes: Patterson, Campbell, Hughes, Strawbridge

Noes: (None)

Abstain: Schwartzman

C. Council Member Committee Reports:

1. **Mayor's Committee Meeting.(Mayor Patterson) Next Meeting Date: December 16, 2015**
2. **Association of Bay Area Governments (ABAG) <http://www.abag.ca.gov/>. (Vice Mayor Hughes and Council Member Schwartzman) Next Meeting Date: TBD**
3. **Finance Committee. (Vice Mayor Hughes and Council Member Strawbridge) Next Meeting Date: November 19, 2015**
4. **League of California Cities. (Mayor Patterson and Vice Mayor Hughes) Next Meeting Date: TBD**
5. **School Liaison Committee. (Vice Mayor Hughes and Council Member Strawbridge) Next Meeting Date: December 10, 2015**
6. **Sky Valley Open Space Committee. (Vice Mayor Hughes and Council Member Campbell) Next Meeting Date: TBD**
7. **Solano EDC Board of Directors. (Vice Mayor Hughes and Council Member Strawbridge) Next Meeting Date: November 12, 2015**
8. **Solano Transportation Authority (STA). <http://www.sta.ca.gov/> (Mayor Patterson and Council Member Campbell) Next Meeting Date: December 9, 2015**
9. **Solano Water Authority-Solano County Water Agency and Delta Committee. <http://www.scwa2.com/> (Mayor Patterson, Vice Mayor Hughes and Council Member Campbell) Next Meeting Date: December 10, 2015**
10. **Traffic, Pedestrian and Bicycle Safety Committee. (Vice Mayor Campbell and Council Member Strawbridge) Next Meeting Date: January 21, 2016**
11. **Tri-City and County Cooperative Planning Group. (Vice Mayor Hughes and Council Member Schwartzman) Next Meeting Date: December 14, 2015**
12. **Valero Community Advisory Panel (CAP). (Council Member Campbell and Council Member Schwartzman) Next Meeting Date: TBD**
13. **Youth Action Coalition. (Vice Mayor Hughes and Council Member Strawbridge) Next Meeting Date: December 9, 2015**

14. **ABAG-CAL FED Task Force-Bay Area Water Forum.**
<http://www.baywaterforum.org/> (Mayor Patterson) Next Meeting Date: TBD
15. **SOLTRANS Joint Powers Authority (Mayor Patterson, Vice Mayor Hughes and Council Member Campbell) Next Meeting Date: December 17, 2015**
16. **Marin Clean Energy (MCE). (Council Member Schwartzman and Council Member Strawbridge) Next Meeting Date: TBD**

IX. ADJOURNMENT:

Mayor Patterson adjourned the meeting at 9:54 p.m.

AGENDA ITEM
CITY COUNCIL MEETING DATE - DECEMBER 1, 2015
CONSENT CALENDAR

DATE : November 13, 2015

TO : City Council

FROM : City Manager

SUBJECT : **ADOPTION OF THE 2016 CITY COUNCIL REGULAR MEETING CALENDAR**

RECOMMENDATION:

Adopt, by motion, the 2016 City Council Regular Meeting Calendar.

EXECUTIVE SUMMARY:

The Open Government Ordinance (Section 4.08.040 of Ordinance No. 05-6) states that each body established by ordinance shall establish and publish an annual schedule of regular meetings. The proposed calendar lists the City Council's regular meeting dates for 2016.

STRATEGIC PLAN:

Relevant Strategic Plan Goals and Strategies:

- Goal 8.00: Build Organizational Quality and Capacity

BACKGROUND:

Per the City's Open Government Ordinance, the proposed schedule of regular meetings of the City Council for 2016 follows for Council review and approval. As reflected on the attached schedule, it is recommended that the first regular meeting in August be cancelled. In previous years, a City Council meeting has been cancelled during the summer months as business to be addressed is typically lighter during this time of year and residents are more likely to be out of town on vacation. It also provides Council and staff an opportunity to make vacation plans accordingly, if they wish, as well as giving staff an extra few weeks prior to the next Council meeting to address various projects.

Attachment:

- 2016 City Council Regular Meeting Calendar

2016 City Council Regular Meeting Calendar

First and third Tuesday Council meetings are at 7 p.m. in the Council Chambers and the fourth Tuesday meetings begin at 6 p.m.

This schedule does not include special City Council meetings, including study sessions. For information on upcoming special meetings, please visit the City's website at www.ci.benicia.ca.us or contact the City Manager's Office at (707) 746-4200.

January

- January 5th
- January 19th
- January 26th

February

- February 2nd
- February 16th
- February 23rd

March

- March 1st
- March 15th
- March 22nd

April

- April 5th
- April 19th
- April 26th

May

- May 3rd
- May 17th
- May 24th

June

- June 7th
- June 21st
- June 28th

July

- July 5th
- July 19th
- July 26th

August

- August 2nd – No Council Meeting
- August 16th
- August 23rd

September

- September 6th
- September 20th
- September 27th

October

- October 4th
- October 18th
- October 25th

November

- November 1st – Election Day – No Council Meeting
- November 15th
- November 22nd

December

- December 6th
- December 20th
- December 27th

**AGENDA ITEM
CITY COUNCIL MEETING DATE - DECEMBER 1, 2015
CONSENT CALENDAR**

DATE : November 18, 2015

TO : City Manager

FROM : Library Director

SUBJECT : **SECOND READING OF AN AMENDMENT TO THE ARTS AND CULTURE COMMISSION'S ORDINANCE CHANGING THE NUMBER OF COMMISSIONERS FROM NINE TO SEVEN**

RECOMMENDATION:

Approve a proposed ordinance change to amend Chapter 2.104 (Arts and Culture Commission) of Division 2 (Boards and Commissions) of Title 2 (Administration and Personnel) of the Benicia Municipal Code to revise section 2.104.010 to reduce the number of commissioners from nine to seven.

EXECUTIVE SUMMARY:

The Arts and Culture Commission (ACC), has requested a change in their ordinance from nine to seven members. They feel that nine members makes it more difficult to reach a quorum, that it is an unwieldy group, and that the commission would function better with seven members. Therefore, the ACC is requesting an amendment to section 2.104.010 of the Municipal Code changing the number of commissions from nine to seven.

BUDGET INFORMATION:

This will have no budget impact. The ACC has been holding regular and special meetings on a monthly basis to conduct their business, so no additional staff time will be required for this change.

GENERAL PLAN:

Relevant Goals and Policies:

- Goal 3.6: Support and promote the arts as a major element of Benicia's community identity.
 - Policy 3.6.3: Enhance public places with art.

STRATEGIC PLAN:

Relevant Strategic Plan Issue and Strategies:

- Strategic Plan Issue #5: Maintain and Enhance a High Quality of Life
 - Strategy #3: Promote arts and culture

BACKGROUND:

The Arts and Culture Commission (ACC) has not had nine commissioners since 2010. As a result, it has become difficult to reach a quorum for meetings. The commissioners feel that nine members is too many and that the commission would function better with seven members, as each person would be tasked with more active involvement in commission activities.

The nine voting member requirement is the largest of any of the City boards and commissions.

Attachment:

- Proposed ordinance revising Benicia Municipal Code section 2.104.010 to change number of members from nine to seven

CITY OF BENICIA

ORDINANCE NO. 15-__

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BENICIA AMENDING CHAPTER 2.104 (ARTS AND CULTURE COMMISSION) OF DIVISION 2 (BOARD AND COMMISSIONS) OF TITLE 2 (ADMINISTRATION AND PERSONNEL) OF THE BENICIA MUNICIPAL CODE BY REVISING SECTION 2.104.010 TO REDUCE THE NUMBER OF COMMISSIONERS FROM NINE MEMBERS TO SEVEN

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BENICIA DOES ORDAIN as follows:

Section 1.

Section 2.104.010 (Established -- Membership) of Chapter 2.104 (Arts and Culture Commission) of Division 2 (Boards and Commissions) of Title 2 (Administration and Personnel) is revised to read as follows:

2.104.010 Established – Membership. The Arts and Culture Commission is established in the city. The commission consists of seven voting members.

Section 2.

Severability. If any section, subsection, phrase or clause of this ordinance is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance.

The City Council hereby declares that it would have passed this and each section, subsection, phrase or clause thereof irrespective of the fact that any one or more sections, subsections, phrase or clauses be declared unconstitutional on their face or as applied.

On motion of Council Member _____, seconded by Council Member _____, the foregoing ordinance was introduced at a regular meeting of the City Council on the 17th day of November, 2015, and adopted at a regular meeting of the Council held on the 1st day of December, 2015, by the following vote:

Ayes:

Noes:

Absent:

Elizabeth Patterson, Mayor

Attest:

Lisa Wolfe, City Clerk

Date

AGENDA ITEM
CITY COUNCIL MEETING DATE - DECEMBER 1, 2015
CONSENT CALENDAR

DATE : November 17, 2015

TO : City Manager

FROM : Public Works Director
Water Treatment Plant Superintendent

SUBJECT : **AWARD OF CONTRACT FOR 2015 URBAN WATER MANAGEMENT PLAN**

RECOMMENDATION:

Authorize City Council to award a consulting contract to Tully & Young, Inc. for the preparation of the 2015 Urban Water Management Plan.

EXECUTIVE SUMMARY:

The Department of Water Resources requires that water utilities who retail treated water to their customers must prepare an Urban Water Management Plan (UWMP) every five years. The deadline to submit the 2015 UWMP Update is July 1, 2016. On October 8, 2015, the City issued Requests for Proposal (RFP) to eight firms to assist the City in preparing the 2015 UWMP.

In response to the RFP, the City received two proposals from NV5 and Tully & Young. After reviewing the proposals and evaluating their capabilities during an interview process, staff decided that the consulting firm of Tully & Young were the best qualified to prepare the 2015 UWMP for the City.

GENERAL PLAN:

Relevant General Plan Goals:

- Overarching Goal of the General Plan: Sustainability
- Goal 2.28: Improve and maintain public facilities and services
- Goal 2.36: Ensure an adequate water supply for current and future residents and businesses

STRATEGIC PLAN:

Relevant Strategic Plan (FY 2015-2017) Goals and Strategies:

- Strategic Issue 2: Protecting and Enhancing the Environment
- Strategy 2: Implement new water conservation projects/programs
- Primary Goal 2.36: Ensure an adequate water supply for current and future residents

BUDGET INFORMATION:

There is \$90,000 in Water Enterprise Funds for the preparation of the 2015 UWMP, which were set aside in FY 2015-16 (\$45,000) and FY 2016-17 (\$45,000) in Account #090-8205-8106 "Professional & Technical Services." Tully & Young have proposed a budget of \$89,660, which supports a commitment of 525 hours for the project.

BACKGROUND:

Water planning is an essential function of water suppliers, but is especially important as California grapples with an ongoing drought and predicted long-term climate changes. Prior to the adoption of the Urban Water Management Planning Act of 1983 (Act), there were no specific requirements that water agencies conduct long-term resource planning. Though state, county, and water contractors continually engage in water planning, it is critical that such planning take place at the local government/water supplier level. As part of the California Water Code, this Act directs water agencies in carrying out their long-term resource planning responsibilities to ensure adequate water supplies are available to meet existing and future demands.

The Act has been modified over the years in response to the State's water shortages, droughts, and other factors. The Water Conservation Act of 2009 (SBX 7-7) required agencies to establish water use targets for 2015 and 2020 that would result in a statewide savings of 20% by the year 2020. Due to the Executive Order issued by the governor in May 2015 requiring water agencies to meet a 25% reduction in potable urban water use, Benicia customers rose to the challenge and are currently using 34% less water than used in 2013.

The attached "2015 UWMP Guidebook for Retail Water Suppliers" requires the City to prepare and submit the following information on the water system:

- regional plan coordination
- water system description
- water use
- baselines and targets
- source supplies
- water supply reliability assessment
- water shortage contingency planning
- demand management measures (water efficiency and conservation)
- plan adoption, submittal, and implementation

The "2015 Guidebook for Retail Water Suppliers" also requires the UWMP to be approved by the City Council after a Public Hearing and submitted to the California Department of Water Resources (DWR) by July 1, 2016. Solano County Water Agency (SCWA) has hired a consultant to prepare water reliability information for the UWMP and

City staff are attending Strategic Planning meetings with SCWA member agencies that will help staff prepare the UWMP. City staff prepared a Request for Proposal (RFP) with a scope of services for the requirements in the Guidebook and a task for public participation (Task 8) that includes informing appropriate City Commissions. Staff is preparing a request for funding for an integrated water management plan with a robust public outreach component that is separate from the UWMP and will be presented to the City Council in January as part of the Budget Implementation Plan Update. On October 8, the RFP was issued to eight firms.

The City received excellent proposals from NV5, the consulting firm that prepared the *2012 Water System Master Plan*; and from Tully & Young, a comprehensive water planning consultant that will partner with Quincy Engineering. Both written proposals were well-prepared and would achieve the objective of preparing an UWMP for the City by the July 2016 deadline. Tully & Young impressed staff at their interview through their knowledge of the UWMP process and their legal/engineering approach to the plan's preparation. In their proposal, they describe themselves as a "unique small business that specializes in comprehensive urban water planning." They go on to state that "we bridge the gap between traditional engineering firms and traditional law firms by synthesizing the legal, technical, economic, and political elements that permeate every water issue and water plan." Their partnership with Quincy Engineering was strategic because their senior project manager worked for NV5 and oversaw the Benicia "*2012 Water System Master Plan*" and thus, knows the Benicia infrastructure, water contracts, and urban demand at a high level.

Staff recommends that the City Council award a consulting contract to Tully & Young, Inc. for the preparation of the *2015 Urban Water Management Plan*.

Attachments:

- Resolution
- Contract Agreement with Scope of Work and Budget
- Guidebook for Retail Water Suppliers

RESOLUTION NO. 15-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA AWARDING THE CONTRACT TO TULLY & YOUNG, INC. IN AN AMOUNT UP TO \$90,000 TO ASSIST IN PREPARATION OF THE FIVE-YEAR UPDATE TO THE CITY'S URBAN WATER MANAGEMENT PLAN AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONTRACT ON BEHALF OF THE CITY

WHEREAS, the Urban Water Management Planning Act requires all urban water suppliers providing water for municipal purposes to more than 3,000 customers or supplying more than 3,000 acre-feet annually to update their Urban Water Management Plan (UWMP) at least every five years and to submit the UWMP to the Department of Water Resources; and

WHEREAS, the City is an urban supplier of water providing water to more than 3,000 customers; and

WHEREAS, the next update is due by July 1, 2016; and

WHEREAS, a Request for Proposal (RFP) for assistance in preparation of an update to the City's UWMP was sent on October 8, 2015 to eight qualified firms; and

WHEREAS, two proposals were received; and

WHEREAS, Tully & Young, Inc. ranked first in the proposal selection process and is the recommended firm to assist in preparation of the UWMP update.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Benicia hereby awards the contract to Tully & Young, Inc. in an amount not to exceed \$90,000, as set by the City Council to assist in preparation of the five-year update to the City's Urban Water Management Plan and authorizes the City Manager to execute said agreement, subject to approval as to form by the City Attorney.

NOW, THEREFORE, BE IT FURTHER RESOLVED THAT the City Council of the City of Benicia hereby approves a budget adjustment to reallocate \$45,000 from the FY 16/17 budget to FY 15/16 in Account No. 090-8205-8106, since the UWMP report will be scheduled for completion by the end of FY 15/16.

On motion of Council Member _____, and seconded by Council Member _____, the above Resolution was introduced and passed by the City Council of the City of Benicia at a regular meeting of said Council held on the 1st day of December, 2015, and adopted by the following vote.

Ayes:

Noes:

Absent:

Elizabeth Patterson, Mayor

Attest:

Lisa Wolfe, City Clerk

Date

CONSULTANT AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into this 17 day of NOVEMBER 2015 between the City of Benicia, a municipal corporation in Solano County, California, (hereinafter "CITY") and Tully & Young, Inc., a California corporation, with its primary office located at 3600 American River Drive, Suite 260, Sacramento, CA 95864 (hereinafter "CONSULTANT") (collectively, "the Parties").

RECITALS

WHEREAS, CITY has determined it is necessary and desirable to secure certain professional services for preparing the 2015 Urban Water Management Plan. The scope of work for said service (hereinafter "Project") is attached hereto as Exhibit "A" and is hereby incorporated by reference; and

WHEREAS, CITY staff does not have the expertise or capacity to perform this work in-house; and

WHEREAS, CONSULTANT is specially trained, experienced and competent to perform the services required by this agreement; and

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

NOW, THEREFORE, IT IS AGREED by and between CITY and CONSULTANT as follows:

AGREEMENT

1. INCORPORATION OF RECITALS

The recitals set forth above, and all defined terms set forth in such recitals and in the introductory paragraph preceding the recitals, are hereby incorporated into this Agreement as if set forth herein in full.

2. SCOPE OF SERVICE

(a) Services to be Furnished. Subject to such policy direction and approvals as CITY through its staff may determine from time to time, CONSULTANT shall perform the services set forth in the Task Order labeled Exhibit A, which is attached hereto and incorporated herein by reference.

(b) Schedule for Performance. CONSULTANT shall perform the services identified in Exhibit A according to the completion schedule included in Exhibit A and as expeditiously as is consistent with generally accepted standards of professional skill and care, and the orderly progress of work.

(i) CONSULTANT and CITY agree that the completion schedule in Exhibit A represents the best estimate of the schedule. CONSULTANT shall comply with completion dates noted in Exhibit A unless a written waiver is granted by the CITY's project manager.

(ii) CONSULTANT shall not be responsible for performance delays caused by others, or delays beyond CONSULTANT'S control, and such delays shall extend the times for performance of the work by CONSULTANT.

(c) Standard of Quality. All work performed by CONSULTANT under this Agreement shall be in accordance with all applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in CONSULTANT'S field of expertise at the time Consultant's work is performed. CONSULTANT shall function as a technical advisor to CITY, and all of CONSULTANT'S activities under this Agreement shall be performed to the full satisfaction and approval of the Department Head or his/her designee.

(d) Compliance with Laws. CONSULTANT shall comply with all applicable federal, state, and local laws, codes, ordinances, regulations, orders, and decrees. CONSULTANT represents and warrants to CITY that CONSULTANT shall, at its own cost and expense, keep in effect or obtain at all times during the term of this Agreement any licenses, permits, insurance and approvals which are legally required for CONSULTANT to practice its profession or are necessary and incident to the due and lawful prosecution of the services it performs under this Agreement. CONSULTANT shall maintain a City of Benicia business license. CONSULTANT shall at all times during the term of this Agreement, and for one year thereafter, provide written proof of such licenses, permits, insurance, and approvals upon request by CITY. CITY is not responsible or liable for CONSULTANT'S failure to comply with any or all of the requirements contained in this paragraph.

3. COMPENSATION

(a) Schedule of Payment. The compensation to be paid by CITY to CONSULTANT for the services rendered hereunder shall be on a time and materials basis based upon the rate schedule in Exhibit B attached hereto and hereby incorporated by reference not to exceed \$89,660.00 dollars. The rate schedule in Exhibit B itemizes those standard and expected expenses for which CONSULTANT shall receive compensation. If CONSULTANT obtains CITY's prior written approval from the Department Head or his/her designee, CONSULTANT may be reimbursed for extraordinary costs incurred on the Project.

(b) Additional Services. CITY shall make no payment to CONSULTANT for any additional services unless such services and payment have been mutually agreed to and this Agreement has been formally amended in accordance with Section 7.

(i) Only the City Council can act on behalf of CITY to authorize CONSULTANT to perform additional services.

(ii) CONSULTANT shall not commence any work or services exceeding the Scope of Services in Section 2 without prior written authorization from CITY in accordance with Section 7. CONSULTANT'S failure to obtain a formal amendment to this Agreement authorizing additional services shall constitute a waiver of any and all right to compensation for such work or services.

(iii) If CONSULTANT believes that any work CITY has directed CONSULTANT to perform is beyond the scope of this Agreement and constitutes additional services, CONSULTANT shall promptly notify CITY of this fact before commencing the work. CITY shall make a determination as to whether such work is beyond the scope of this Agreement and constitutes additional services. If CITY finds that such work does constitute additional services, CITY and CONSULTANT shall execute a formal amendment to this Agreement, in accordance with Section 7, authorizing the additional services and stating the amount of any additional compensation to be paid.

(c) Invoicing and Payment. CONSULTANT shall submit monthly invoices for the services performed under this Agreement during the preceding period. Invoices or billings must be submitted in duplicate and must indicate the hours actually worked by each classification and employee name, as well as all other directly related costs by line item in accordance with Exhibit B. CITY shall approve or disapprove said invoice or billing within thirty (30) days following receipt thereof and shall pay all approved invoices and billings within thirty (30) days. Interest at the rate of one and one-half (1.5) percent per month will be charged on all past due amounts starting thirty (30) days after the invoice date, unless not permitted by law, in which case interest will be charged at the highest amount permitted by law. Payments will be credited first to interest, and then to principal.

4. PRODUCT REVIEW AND COMMENT

CONSULTANT shall provide CITY with at least two (2) copies of each product described in Exhibit A. Upon the completion of each product, CONSULTANT shall be available to meet with CITY. If additional review and/or revision is required by CITY, CITY shall conduct reviews in a timely manner.

5. TERM OF AGREEMENT

This Agreement shall be effective immediately upon the signatures of both Parties and shall remain in effect until **December 1, 2016**, unless amended pursuant to Section 7, or terminated pursuant to Section 6.

6. TERMINATION

(a) CITY shall have the right to terminate this Agreement for any reason whatsoever at any time by serving upon CONSULTANT written notice of termination. The Agreement shall terminate three (3) business days after notice of termination is given. The notice shall be deemed given on the date it is deposited in the U.S. mail, certified, postage prepaid, and addressed to CONSULTANT at the address indicated in Section 11.

(b) If CITY issues a notice of termination,

(i) CONSULTANT shall immediately cease rendering services pursuant to this Agreement;

(ii) CONSULTANT shall deliver to CITY copies of all writings, whether or not completed, which were prepared by CONSULTANT, its employees, or its subcontractors, if any, pursuant to this Agreement. For purposes of this Agreement, the term "writings" shall include, but not be limited to, handwriting, typewriting, computer files and records, drawings, blueprints, printing, photographs, and every other means of recording upon any tangible thing, any form of communication or representation, including letters, words, pictures, sounds, symbols, or combinations thereof;

(iii) CITY shall pay CONSULTANT for work actually performed up to the effective date of the notice of termination, subject to the limitations prescribed by Section 3 of this Agreement, less any compensation to CITY for damages suffered as a result of CONSULTANT'S failure to comply with the terms of this Agreement. Such payment shall be in accordance with Exhibit B. However, if this Agreement is terminated for fault of CONSULTANT, CITY shall be obligated to compensate CONSULTANT only for that portion of CONSULTANT'S services which are of benefit to CITY.

7. AMENDMENTS

Modifications or amendments to the terms of this Agreement shall be in writing and executed by both Parties.

8. NONDISCLOSURE OF CONFIDENTIAL INFORMATION

CONSULTANT shall not, either during or after the term of this Agreement, disclose to any third party any confidential information relative to the work of CITY without the prior written consent of CITY.

9. INSPECTION

CITY representatives shall, with reasonable notice, have access to the work and work records, including time records, for purposes of inspecting same and determining that the work is being performed in accordance with the terms of this Agreement. Inspections by CITY do not in any way relieve or minimize the responsibility of CONSULTANT to comply with this Agreement and all applicable laws.

10. INDEPENDENT CONTRACTOR

In the performance of the services in this Agreement, CONSULTANT is an independent contractor and is not an agent or employee of CITY. CONSULTANT, its officers, employees, agents, and subcontractors, if any, shall have no power to bind or commit CITY to any decision or course of action, and shall not represent to any person or business that they have such power. CONSULTANT has and shall retain the right to exercise full control of the supervision of the services and over the employment, direction, compensation, and discharge of all persons assisting CONSULTANT in the performance of said service. CONSULTANT shall be solely responsible for all matters relating to the payment of its employees, including compliance with social security and income tax withholding, workers' compensation insurance, and all other regulations governing such matters.

11. NOTICES

Any notices or other communications to be given to either party pursuant to this Agreement shall be in writing and delivered personally or by certified U.S. mail, postage prepaid, addressed to the party at the address set forth below. Either party may change its address for notices by complying with the notice procedures in this Section. Notice so mailed shall be deemed delivered three (3) business days after deposit in the U.S. mail. Nothing shall preclude the giving of notice by facsimile machine provided, however, that notice by facsimile machine shall be followed by notice deposited in the U.S. mail as discussed above.

To CITY: Graham Wadsworth, P.E., Public Works Director
 City of Benicia
 250 East L Street
 Benicia, CA 94510

To CONSULTANT: Gwyn-Mohr Tully, J.D., Principal
 Tully & Young, Inc.
 3600 American River Drive, Suite 260
 Sacramento, CA 95864

12. OWNERSHIP OF MATERIALS

CITY is the owner of all records and information created, produced, or generated as part of the services performed under this Agreement. At any time during the term of this Agreement, at the request of CITY, CONSULTANT shall deliver to CITY all writings, records, and information created or maintained pursuant to this Agreement. In addition, CONSULTANT shall not use any of the writing, records, or information generated for the Project under this Agreement for any other work without CITY's consent.

13. EMPLOYEES; ASSIGNMENT; SUBCONTRACTING

(a) Employees. CONSULTANT shall provide properly skilled professional and technical personnel to perform all services required by this Agreement. CONSULTANT shall not engage the services of any person(s) now employed by CITY without CITY's prior express written consent.

(b) Assignment. CONSULTANT shall not assign, delegate, or transfer its duties, responsibilities, or interests in this Agreement without the prior express written consent of CITY. Any attempted assignment without such approval shall be void and, at CITY's option, shall terminate this Agreement and any license or privilege granted herein.

(c) Subcontracting. CONSULTANT shall not subcontract any portion of the work to be performed under this Agreement without the prior express written consent of CITY. If CITY consents to CONSULTANT'S hiring of subcontractors, CONSULTANT shall provide to CITY copies of each and every subcontract prior to its execution. All subcontractors are deemed to be employees of CONSULTANT, and CONSULTANT agrees to be responsible for their performance. CONSULTANT shall give its personal attention to the fulfillment of the provisions of this Agreement by all of its employees and subcontractors, if any, and shall keep the work under its control.

14. BINDING AGREEMENT

This Agreement shall bind the successors in interest, legal representatives, and permitted assigns of CITY and CONSULTANT in the same manner as if they were expressly named herein.

15. WAIVER

(a) Effect of Waiver. Waiver by either party of any default, breach, or condition precedent shall not be construed as a waiver of any other default, breach, or condition precedent or any other right under this Agreement.

(b) No Implied Waivers. The failure of either party at any time to require performance by the other party of any provision hereof shall not affect in any way the right to require such performance at a later time.

16. NONDISCRIMINATION

(a) CONSULTANT shall not discriminate in the conduct of the work under this Agreement against any employee, applicant for employment, or volunteer on the basis of race, religious creed, color, national origin, ancestry, physical or mental disability, marital status, pregnancy, sex, age, sexual orientation or other prohibited basis.

(b) Consistent with CITY's policy that harassment and discrimination are unacceptable employer/employee conduct, CONSULTANT agrees that harassment or discrimination directed toward a job applicant, a City employee, or a citizen by CONSULTANT or CONSULTANT'S employee or subcontractor on the basis of race, religious creed, color, national origin, ancestry, physical or mental disability, marital status, pregnancy, sex, age, sexual orientation or other prohibited basis will not be tolerated. CONSULTANT agrees that any and all violation of this provision shall constitute a material breach of the Agreement.

17. INDEMNITY

(a) To the fullest extent allowed by law, CONSULTANT specifically agrees to indemnify, defend, and hold harmless CITY, its officers, agents, and employees from and against any and all actions, claims, demands, losses, expenses including attorneys' fees, damages, and liabilities resulting from injury or death of a person or injury to property, arising out of or in any way connected with the performance of this Agreement, however caused, regardless of any negligence of the CITY, whether active or passive, excepting only such injury or death as may be caused by the sole negligence or willful misconduct of the CITY. The CONSULTANT shall pay all costs that may be incurred by CITY in enforcing this indemnity, including reasonable attorneys' fees. The defense and indemnification obligations of this agreement are undertaken in addition to, and shall not in any way be limited by the insurance obligations contained in this agreement.

(b) Further, CONSULTANT will indemnify CITY, and hold it harmless, from an assertion that as a result of providing services to CITY, CONSULTANT or any of its employees or persons performing work pursuant to this Agreement is entitled to benefits from, or is covered by, the Social Security retirement system or the California Public Employees Retirement Systems. Notwithstanding the foregoing, however, CONSULTANT's obligations for any payments to such claimant shall be limited to those payments which CITY may be required to pay.

18. INSURANCE

(a) Required Coverage. CONSULTANT, at its sole cost and expense, shall obtain and maintain in full force and effect throughout the entire term of this Agreement the following described insurance coverage. This coverage shall insure not only CONSULTANT, but also, with the exception of workers' compensation and professional liability insurance, shall name as additional insureds CITY, its officers, agents, employees, and volunteers, on each of them:

<u>Policy</u>	<u>Minimum Limits of Coverage</u>
(i) Workers' Compensation	Statutory
(ii) Comprehensive Automobile Insurance Services Office, form #CA 0001 (Ed 1/87 covering auto liability code 1 (any auto))	Bodily Injury/Property Damage \$1,000,000 each accident
(iii) General Liability Insurance Services Office Commercial General Liability coverage on an occurrence basis (occurrence form CG 0001)	\$1,000,000 per occurrence. If Commercial General Liability Insurance or other form with a general aggregate limit shall apply separately to this Project/location, the general aggregate limit shall be twice the required occurrence limit

(iv) Errors and Omissions/
Professional's Liability, errors and
omissions liability insurance appropriate to
the CONSULTANT's profession.

Generally \$1,000,000 per
Claim

(b) General Provisions.

(i) CONSULTANT shall obtain insurance acceptable to the CITY in a company or companies admitted in California and with a Best rating of no less than A: VII or as acceptable to the CITY. The endorsements, naming the CITY as an additional insured, are to be signed by a person authorized by CONSULTANT's insurer to bind coverage on its behalf and must be at least as broad as required by the City Attorney.

(ii) It shall be a requirement under this contract that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits shall be available to the Additional Insured. Furthermore, the requirements for coverage and limits shall be (1) the broader coverage and maximum limits specified in this contract; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater.

(iii) The limits of insurance required in the Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the CITY (if agreed to in a written contract) before the CITY's own insurance or self-insurance shall be called upon to protect it as a named insured.

(iv) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the CITY, its elected or appointed officers, officials, employees, agents or volunteers.

(v) The insurance provided by these policies shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty days written notice has been received by the CITY.

(c) Additional Insured. The CITY will be named as an additional insured for all liability arising out of the operations by or on behalf of the named insured, and this policy protects the additional insured, its officers, agents and employees against liability for personal and bodily injuries, deaths or property damage or destruction arising in any respect, directly or indirectly, in the performance of the contract.

(i) Each such policy shall be endorsed with the following language:
The City of Benicia, its elected or appointed officers, officials, employees and volunteers are included as insureds with regard to damages and defense of claims arising from: (a) activities performed by or on behalf of the Named Insured, including the insured's general supervision of the Named Insured, (b) products and completed operations of the Named Insured, and (c) premises owned, leased or used by the Named Insured.

(ii) This policy shall be considered primary insurance as respects the CITY, its elected or appointed officers, officials, employees, agents and volunteers. Any insurance maintained by the CITY, including any self-insured retention the CITY may have, shall be considered excess insurance only and shall not contribute with it.

(iii) The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverages afforded shall apply as though separate policies had been issued to each insured.

(iv) The Additional Insured coverage under the CONSULTANT's policy shall be primary and non-contributory and will not seek contribution from the CITY's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13.

(d) Verification of Coverage. CONSULTANT must provide complete, certified copies of all required insurance policies, including original endorsements affecting the coverage required by these specifications. The endorsements are to be signed by a person authorized by CONSULTANT's insurer to bind coverage on its behalf. **All endorsements are to be received and approved by CITY before work commences.**

(e) Deductibles and Self-Insured Retentions. All self-insured retentions (SIR) must be disclosed to the CITY's Risk Management for approval and shall not reduce the limits of liability. At the option of CITY, either: the insurer shall reduce or eliminate such deductibles or self-insurance retention as respects the CITY, its officers, officials, agents, employees and volunteers; or CONSULTANT shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Policies containing any self-insured (SIR) provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named insured or the CITY. The CITY reserves the right to obtain a full certified copy of any insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of the right to exercise later.

19. WORKERS' COMPENSATION

(a) Covenant to Provide. CONSULTANT warrants that it is aware of the provisions of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code. CONSULTANT further agrees that it will comply with such provisions before commencing the performance of the work under this Agreement.

(b) Waiver of Subrogation. CONSULTANT and CONSULTANT's insurance company agree to waive all rights of subrogation against CITY, its elected or appointed officials, agents, and employees for losses paid under CONSULTANT's workers' compensation insurance policy which arise from the work performed by CONSULTANT for CITY.

20. FINANCIAL RECORDS

CONSULTANT shall retain all financial records, including but not limited to documents, reports, books, and accounting records which pertain to any work or transaction performed pursuant to this Agreement for four (4) years after the expiration of this Agreement. CITY or any of its duly authorized representatives shall, with reasonable notice, have access to and the right to examine, audit, and copy such records.

21. CONFLICT OF INTEREST

CONSULTANT shall exercise reasonable care and diligence to prevent any actions or conditions which could result in a conflict with CITY's interest. During the term of this Agreement, CONSULTANT shall not accept any employment or engage in any consulting work which creates a conflict of interest with CITY or in any way compromises the services to be performed under this Agreement. CONSULTANT shall immediately notify CITY of any and all violations of this Section upon becoming aware of such violation. CONSULTANT shall file FPPC form 700 the City Clerk if required by CITY's Conflict of Interest Code.

22. TIME OF THE ESSENCE

CONSULTANT understands and agrees that time is of the essence in the completion of the work and services described in Section 2.

23. SEVERABILITY

If any court of competent jurisdiction or subsequent preemptive legislation holds or renders any of the provisions of this Agreement unenforceable or invalid, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected.

24. GOVERNING LAW AND CHOICE OF FORUM

This Agreement shall be administered and interpreted under California law as if written by both parties. If any provision in this Agreement is held by any court to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force. **If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state court situated in the County of Solano, State of California or, if necessary, in a federal court situated in the City and County of Sacramento, California.**

25. COSTS AND ATTORNEYS' FEES

If either party commences any legal action against the other party arising out of this Agreement or the performance thereof, the prevailing party in such action may recover its reasonable litigation expenses, including court costs, expert witness fees, discovery expenses, and attorneys' fees. In any action seeking recovery of monetary damages, the plaintiff shall not be considered to be the prevailing party unless it recovers at least 66% of the dollar amount requested in the complaint's prayer for relief.

26. INTEGRATION

This Agreement represents the entire understanding of CITY and CONSULTANT as to those matters contained herein and supersedes all prior negotiations, representations, or agreements, both written and oral. This Agreement may not be modified or altered except in accordance with Section 7. Executed by CITY and CONSULTANT on the date shown next to their respective signatures. The effective date of this Agreement shall be the date of execution by the CITY as shown below.

WITNESS THE EXECUTION THEREOF, this 17 day of November, 2015.

CONSULTANT

CITY OF BENICIA

BY: [Signature] 11/17/15
Name Date
CEO
Title

Name Date
CITY MANAGER

RECOMMENDED BY:

Name
PUBLIC WORKS DIRECTOR

APPROVED AS TO FORM:

Heather C. Mc Laughlin
CITY ATTORNEY

Exhibit A

SECTION 4 – SCOPE OF WORK

Tully & Young, Inc. will undertake the following tasks to provide the City with a 2010 UWMP Update compliant with California Water Code requirements. Also included are additional tasks to specifically address compliance with the new 2009 California Legislation (SB x7 7) as well as optional tasks that address other City activities.

This scope of work anticipates that the basic facts in the City’s planning documents and the recently adopted General Plans and Specific Plans, combined with recent water production and use data, will be the foundation for the 2010 UWMP. In addition, the scope anticipates close coordination with City staff and management throughout development of the UWMP.

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Organizing the UWMP effort is the starting point for project completion. Tully & Young, Inc. drafted the 2015 UWMP Guidebook under contract with the California Department of Water Resources (see Section 3 above). Tully & Young, Inc. uses the following UWMP outline to develop its UWMP documents in accordance with the 2015 guidelines that Tully & Young helped prepare.

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- 1.2 Public Participation and Agency Coordination
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 - 6.5.4 Stage Four - Water Crisis
- 6.6 Revenue and Expenditure Impacts
- 6.7 Measures to Overcome Impacts
- 6.8 Reduction Measuring Mechanism

CHAPTER 7. RECYCLED WATER PLAN

- 7.1 General Description of Wastewater Treatment Systems
- 7.2 Current Wastewater Use in the City of Lincoln Service Area
- 7.3 Projected Recycled Water Use

- 7.4 Technical and Economic Feasibility of Recycled Water Use
- 7.5 Future Actions to Encourage Recycled Water Use
- 7.6 Total Planned Recycled Water Use

CHAPTER 8. SUPPLY & DEMAND INTEGRATION

- 8.1 Normal Water Year Supply Demand Comparison
- 8.2 Single Dry-Year Supply and Demand Comparison
- 8.3 Multiple Dry Year Supply and Demand Comparison

Task 2 – Data Collection and Agency Coordination

Tully & Young Team will review all land use and water planning documents outlined in the Scope of Work as directed by City Staff. Tully & Young Team will first review the most relevant land planning and water planning documents in an effort to efficiently and frugally gather information and complete the project. Particular emphasis will be given to the 2010 UWMP, the 2012 Water Master Plan, and to the latest iteration of Bay Area Integrated Regional Water Management Plan. This review will focus on the pertinence of existing information in order to reduce costs.

In addition to reviewing relevant documents, Tully & Young will conduct independent research into the latest census based population data that corresponds to the UWMP’s planning horizon, assess trends in land uses in the service area and assess water conservation activities in preparation for the SBx7 7 water conservation analysis. Lacking accurate data and planning information, an UWMP can be more harmful than helpful. Researching up-to-date data for such elements as customer use (by customer class), water rights and deliveries, and anticipated future conditions, will integrate the UWMP analysis and provide a useful planning baseline for the City.

Tully & Young Team will also develop and implement an agency coordination plan. The City's water supplies are interdependent with Solano County Water Agency, Solano Irrigation District and the City of Vallejo and its participating agencies, neighboring Cities, and local districts. As part of the UWMP law, the preparing agency must coordinate and circulate its UWMP to other surrounding agencies for their review. Tully & Young will coordinate and lead – as directed by City Staff – meetings with key public agencies and other strategic stakeholders.

Water planning activities must be coordinated with land planning activities. The City of Benicia houses both planning entities within its confines but other regional land planning agencies may be devoid of water planning expertise. Here, issues such as long-term conservation and demand management – issues that may eventually be the responsibility of land planners – must be coordinated to best address comprehensive joint land and water planning objectives. For instance, land-planning assumptions related to the 2015 regulatory updates of the Model Water Efficient Landscape Ordinance or other similar regulatory items should be regionally coordinated for comprehensive water planning. Tully & Young would coordinate with the City of Benicia's land planners, SCWA, the Bay Area Water IRWMP and regional land planning agencies to accomplish this task.

Task 3 – Service Area Information

Tully & Young will update the City's current service area description to include new demographic and climatologic information. Tully & Young will begin with the information in the 2010 UWMP and 2012 WMP and then analyze new information that will support production of a legally compliant UWMP.

Task 3.1 – Describe City's Service Area and Demographic Features

This service area description will include not only assessing the political boundary of the City, but also assessing the demographic characteristics of the City, the service areas of surrounding water purveyors, the climatic characteristics of the region, and the history of the City. This description will include developing maps with City staff to represent pertinent information.

Tully & Young will place specific emphasis on population and density in 5 year increments through 2040. This characterization will form the basis of the water demand calculations in Task 4.3 below. This characterization will also be informative to the development of baseline calculations for meeting the SBx7 7 conservation obligations. *Moreover, using a 2040 planning horizon rather than a horizon to 2035, allows the City to utilize the document over the course of the next 5 years as the foundational tool for any additional Water Supply Assessment or other CEQA compliance.*

Task 3.2 – Describe Planned Projects

Tully & Young will describe the planned projects and programs that are part of the City's overall water management strategy. These projects and programs include not only water supply projects but also land planning projects that are in the City's interest – specifically commercial and industrial projects. Since the UWMP is a planning tool that allows the City to set the course for water policy over a specific 5 year period (through the next UWMP update in 2020) and it allows the City to strategically develop and describe current planned or approved projects. Moreover, well-described water projects may also help the City qualify for potential funding assistance through state and federal grant programs. One key resource for describing planned projects will be the City's General Plan Update.

Task 3.3 – Assess Climate Characteristics
Tully & Young will assess changing hydrologic and regulatory conditions related to climate change – specifically, sea-level rise. As described above, climate change and sea level rise have potential implications to both the quantity and quality of water available to the City. In addition, new threats such as increased potential for levee failure and flood events may add additional stressors to existing supply and quality conditions. As such, Tully & Young will draw on its experience as the Prime Consultants in the Delta Vision process and with other clients to bring these broad issues into the City’s UWMP process.

Task 4 – Water Resource Reliability

As the primary conclusion of the 2015 UWMP, the integration of supply and demand in 5 year increments for normal, single-dry and multiple dry years will drive the City’s water management philosophy and actions through 2040. To complete this task, Tully & Young will use the supply portfolio described below in Task 4.2 and compare it to the demand characterization in Task 4.3 to reach a water supply reliability conclusion.

Based on initial integration results, Tully & Young will consult with the City to define how potential shortage or surplus conditions will be discussed and resolved – such as determining any need for temporary replacement water to maintain desired levels of service under shortage conditions or possibly marketing water under certain surplus conditions. The role of the Urban Water Shortage Contingency Plan will also need to be evaluated to establish the level of mandated customer conservation the City will require to balance supplies and demands under particular hydrologic or regulatory conditions. This is described later in this proposal under Task 7.

Task 4.1 – Review and Assess Supply and Demand Assumptions and Conclusions in Other Documents

This task provides important underpinnings and evaluation of the potential variety of assumptions presented in other City documents including the 2010 UWMP, 2012 WMP the IRWMP, recent EIRs as well as other pertinent data and reports identified by City Staff. Because California Supreme Court’s ruling in *Vineyard Area Citizens Case (Vineyard)* identified, among other things, the need to explain changes in water demand and supply characterizations, knowing the City’s historic representations will allow the UWMP to address and provide a basis for any variance that might result. Tully & Young will work with City staff to assess the congruence of assumptions. This assessment will also track the Agency Coordination activities in Task 2.

Task 4.2 – Supply Analysis and Characterization

Using the characterization included in the 2010 UWMP, the 2012 WMP, recent EIR’s and other regional documents (specifically those of SCWA), Tully & Young will develop a full supply analysis. Tully & Young will review the status and representation of the resources in the City’s water supply portfolio and update information accordingly with particular attention to supply issues that could be tied to climate change. The review and update will include discussions with City staff about changed conditions, evaluation of water quantity and quality conditions, status of surface water rights and filings, and analysis of impacts to all supplies from recent hydrologic and regulatory events. The update will also use information presented in the SCWA IRWMP to update regional management efforts and coordination activities.

Using information provided by the City, Tully & Young will provide a qualitative discussion of the potential impacts from climate change to the City’s water supply portfolio to reflect the

most recent knowledge and direction available from the Department of Water Resources.

Overall, particular attention will be provided to developing a supportable basis for the reliability of each of the City's supply sources in 5 year increments over the planning horizon under differing hydrologic and regulatory conditions (average year, single year and multiple-year dry year conditions). Providing a legally supportable basis for reliability enables the City to rely on the 2015 UWMP to support future water management activities.

Task 4.3 – Water Demand Analysis

Using the most recent water usage data made available by the City, Tully & Young will perform the following technical tasks: (1) present the historic and most current demand characteristics for an array of residential and non-residential uses (consistent with the land use planning designations, the 2010 UMWP, the 2012 WMP, and other pertinent guiding materials); (2) coordinate with City staff and regional agencies to determine unit water demand factors – indoor versus outdoor, residential versus non-residential, and normal versus dry-year – for current land-use and customer conditions (3) assess projections relative to continued efforts toward demand management, incremental reductions in the factors over the required reporting time steps and anticipated reductions to meet new statutory conservation targets (see Task 5); and (4) project total water demand for the required reporting time steps out to 2040 using land use planning data consistent with the assumptions in other relevant documents.¹

This work will ground the City's effort to evaluate historic demands and help define a baseline demand (per SB x7 7) that facilitates

¹ Tully & Young suggests the UWMP analysis extend to 2035 instead of the minimum 20 years. This allows the UWMP to serve as a basis for potential other SB 610 WSA documents and CEQA analyses that may occur between the 2015 and 2020 UWMP updates.
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the City's ability to optimally meet reduction targets. This exercise is a critical "behind-the-scenes" step for this version of the 2010 UWMP and may be critical to the characterization of historic demands as contemplated in this task. Meeting the SB x7 7 requirements is more fully described in Task 5 later in this proposal.

Task 4.4 – Recycled Water, Storm Water Recapture and Desalination Opportunities

The City provides its own wastewater collection, treatment and disposal services to customers in its service area. The City continues to work with regional business to use this water supply in the City's service area. But the City may also find opportunities to value and market this water to alternative sources. The UWMP can lay the foundation for opening new opportunities for recycled and recaptured water use within the City's service area and outside the City's service area.

Task 4.5 – Water Transfers and Exchanges

Tully & Young is uniquely qualified to prepare clients for potential water transfers and exchanges – both as buyers and sellers. Tully & Young has successfully implemented numerous water transfers that have provided financial gain to their clients. In this light, we will use the 2015 UWMP to ground potential future water transfer based upon the City's water rights and defined water supply portfolio as developed under Task 4.2. Each type of water right has special legal and regulatory issues that require attention. Tully & Young knows how to use the 2015 UWMP update to position these potential water transfers to bring financial gain to the City. Example strategies include identifying certain water sources as applying only to particular demands so that the appropriate water rights are available for transfer during high demand times of year.

Task 5 – Demand Management Measures

Since the City is a member of the California Water Conservation Council, it may use its BMP reports to ground the demand management issues in the 2015 UWMP. However, Tully & Young will carefully review these materials as they can have an immediate and long-term impact on the overall requirements under SBx7 7 moving forward. Specifically, the characterization of the baseline from which demand calculations are centered can directly implicate the amount of water that the City will need to conserve in the future and the associated conservation costs.

Task 6 – Water Conservation Plan

In consideration of Task 5 above, Tully & Young will work with the City to develop additional demand management measures to meet future water reduction objectives and comply with SB x7 7. Proposed measures will be based upon Tully & Young’s experience with similarly situated water purveyors and the ability of the City to work with local land use entities.

SB x7 7 mandates a 20 percent reduction in the per-capita water use throughout the State by the year 2020. The legislation requires purveyors to determine and report “urban water use targets” for achieving the goal of 20 percent conservation by 2020. Under this task, Tully & Young would (1) assist the City with calculating various alternatives to establish required baseline water use values, (2) discuss the advantages and disadvantages that may relate to various baseline determinations, and (3) calculate and compare the 2015 conservation savings and 2020 conservation targets using varied methods allowed by law. Analysis would include consideration of historic use, application of temporary water conservation ordinances, and how planned future water management activities would best position the City to meet defined targets. Thus

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there is clearly cross-over with Tasks 8 and 9 discussed later in this proposal.

SB x7 7 requires that these values be quantified in the 2015 UWMP. Considering the Department of Water Resources’ efforts to define a “Method 4” and the City’s schedule, Tully & Young recommends that a strategic decision should be made as to how this information is to be included in the adopted 2015 UWMP.

These calculations can help direct how required demand information is characterized and reported – ultimately helping the City maintain reporting consistency and position itself for optimum compliance with these new requirements. One work session with City staff will be held to discuss approaches, assess varying outcomes and discuss strategic approaches. The information developed under this task will be presented in a technical memo that will be used by the City to support representation of data in the 2010 UWMP.

Task 7 – Water Shortage Contingency Analysis

Tully & Young will assess the City’s current urban water shortage contingency plan based upon the City’s existing dry year planning efforts and ordinances as well as the potential for catastrophic outage. Such analysis will assess the existence and effectiveness of the City’s conservation ordinances, the baseline assumptions in the City’s water rights, as well as the additional planning components necessary to conserve water during hydrologic or regulatory droughts and catastrophic outage. Tully & Young, Inc. will utilize data collected during the last two years of drought and demand management requirements issued by the SWRCB. The Plan will also qualitatively address climate change variables as described above and how those variables may impact overall water supply reliability. Last, the plan

will be developed to complement the water conservation requirements under SB x7 7.

Tully & Young will describe the existing water shortage contingency plan and its relation to local and regional suppliers. For instance, the plan will describe emergency water interties and potential new intertie systems. The plan will also describe – as related to the supply and demand analyses in Tasks 4– the worst-case predicted supply and demand at the end of 12, 24, and 36 month periods. Tully & Young will also describe the other components of the City’s Water Shortage Contingency Plan including: stages of rationing and triggers, mandatory water prohibitions and consumption limits, penalties and charges for excessive use, and public noticing and monitoring mechanisms.

Tully & Young will also provide the City with proposed updates to the existing contingency plan. Such updates will include the rationale for suggested modifications as well as a revenue and expenditure analysis associated with implementing new activities. Tully & Young will work with City staff to implement the suggested changes through modifications to the City’s ordinances. Necessary updates will be incorporated into the 2015 UMWP.

Task 8 – Public Participation

Tully & Young is committed to engaging the public in the UWMP process. In addition, Tully & Young is committed to coordinating these efforts with the Agency Outreach efforts as outlined in Tasks 1 and 2. Tully & Young will encourage public participation through a series of public meetings. This outreach is critically important to sound water management planning because the City needs the public to actively accept the final document’s conclusions and implementation strategies. Specifically, where residents may bear the costs of conservation or where dry year management strategies need to be implemented, it is better if

the public is fully on board with the recommendations in the plan.

Tully & Young recognize that a Task Force was developed for the 2010 plan to assist in public outreach and participation. We would explore developing a similar entity based upon the recommendation of City Staff and the City Council. In addition, Tully & Young will coordinate activities with the Community Sustainability Commission in an effort to meet its sustainability objectives.

In short, Tully & Young will work diligently to solicit comments and input from the public in order to produce a well-constructed UWMP.

Task 9 – Plan Preparation

As required under Water Code §10610 et seq., Tully & Young will prepare documentation to meet all other statutorily required reporting elements for the 2015 UWMP. Tully & Young will incorporate all relevant information developed under Tasks 1 through 8, as well as other strategic information developed under those tasks that may not be legally required, but only after full consultation with City staff.

Additionally, Tully & Young will appropriately incorporate the City’s current emergency response plan into the 2015 UWMP, reflecting any necessary changes since the 2010 UWMP. Tully & Young will assist City staff in developing all administrative materials for the final adoption of the 2015 UWMP, including relevant briefing documents, agendas, and resolution materials, as directed by City staff.

Tully & Young will prepare for and attend the Public Hearing for the UWMP scheduled for either June 2016. The hearing will require preparing a PowerPoint presentation that follows the main points of the UWMP and articulates the findings and conclusions.

Tully & Young will assist the City to solicit public review comments during the formal

public hearing and through the public review period required by the UWMP statutes. Tully & Young will coordinate with the City for its noticing of the public hearing. These notices shall consist of dates, times, and agendas for the public hearing. Tully & Young will work with City staff to facilitate electronic posting of information and timelines.

Under this task, Tully & Young will work with the assigned DWR review staff to facilitate their review of the administrative draft of the 2015 UWMP. Two primary subtasks are envisioned:

Task 9.1 – Prepare First Draft Report

Tully & Young will prepare the first administrative draft of the 2015 UMWP by May 15, 2016 to reflect data and analysis collected and performed under Tasks 1-8. This draft is intended for the City’s internal review and comment. As required in the Deliverables component of the Scope of Services in the RFP, Tully & Young will provide the City with 3 administrative draft hard copies and one electronic version of the document in Microsoft Word.

The draft will also be used to solicit initial (informal) comments from DWR, City Staff, the Community Sustainability Commission, regional agencies and the public.

Task 9.2 – Consult with DWR Staff of Draft 2015 UMWP

Tully & Young anticipates one face-to-face meeting with DWR staff as well as needed phone and e-mail communications to discuss the materials in the administrative draft of the 2015 UWMP and to develop acceptable resolutions to any potential concerns. Though the availability of DWR staff is unknown, for purposes of this proposal, Tully & Young assumes DWR will provide comments and participate in a scheduled meeting within 20 days of their receipt of the first draft report under Task 9.1.

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Task 9.3 – Incorporate and Respond to DWR Comments, Council Comments and Public Comments

Given the comments from DWR staff on the administrative draft, Tully & Young will address all comments, subject to discussions with City staff and other comments that are received from the public, City Staff, City Council and the Community Sustainability Commission. These comments will be addressed with the assistance of the City’s project manager.

Task 9.4 – Prepare and Publish Final 2015 UWMP Report

Tully & Young, Inc. will prepare a final draft Urban Water Management Plan by June 15, 2016 documenting the efforts and evaluation performed in Tasks 1 through 8 and incorporating all formal City comments and informal comments from relevant agencies. The final UWMP will, at a minimum, satisfy all legal requirements under California Water Code §10610 et seq. Based upon recent legislation and the desired timing for adoption by the City, these requirements will be broader than those reflected in the City’s 2010 UWMP.

Tully & Young will format the final approved 2010 UMWP, including a copy of the Council’s adopting resolution from the June 2016 hearing. The text and tables for the final report will reflect any additional changes from the Commission.

Tully & Young, Inc. will provide 7 hard copies of the final report and electronic copy in Microsoft Word.

Exhibit B

**City of Benecia
2015 Urban Water Management Plan
Proposed Timeline**

Task	2015	2016							
	Dec	Jan	Feb	Mar	Apr	May	June	July	
Task 1 - Urban Water Management Plan Preparation	◆	▨							◆
Task 2 - Data Collection and Agency Coordination		▨							
Task 3 - Service Area Information		■				■			
Task 4 - Water Resource Reliability			■						
Task 5 - Water Supply Demand Integration			■						
Task 6 - Water Conservation Plan				■					
Task 7 - Water Shortage Contingency Analysis				■					
Task 8 - Public Participation				▨					
Task 9 - Plan Preparation					■				

- | Work Session
- | Presentation
- On-going activities during period shown
- ▨ Periodic activities during period shown

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 - 6.5.3 Stage Three, Water Emergency
 - 6.5.4 Stage Four - Water Crisis
- 6.6 Revenue and Expenditure Impacts
- 6.7 Measures to Overcome Impacts
- 6.8 Reduction Measuring Mechanism

CHAPTER 7. RECYCLED WATER PLAN

- 7.1 General Description of Wastewater Treatment Systems
- 7.2 Current Wastewater Use in the City of Lincoln Service Area
- 7.3 Projected Recycled Water Use

- 7.4 Technical and Economic Feasibility of Recycled Water Use
- 7.5 Future Actions to Encourage Recycled Water Use
- 7.6 Total Planned Recycled Water Use

CHAPTER 8. SUPPLY & DEMAND INTEGRATION

- 8.1 Normal Water Year Supply Demand Comparison
- 8.2 Single Dry-Year Supply and Demand Comparison
- 8.3 Multiple Dry Year Supply and Demand Comparison

Task 2 – Data Collection and Agency Coordination

Tully & Young Team will review all land use and water planning documents outlined in the Scope of Work as directed by City Staff. Tully & Young Team will first review the most relevant land planning and water planning documents in an effort to efficiently and frugally gather information and complete the project. Particular emphasis will be given to the 2010 UWMP, the 2012 Water Master Plan, and to the latest iteration of Bay Area Integrated Regional Water Management Plan. This review will focus on the pertinence of existing information in order to reduce costs.

In addition to reviewing relevant documents, Tully & Young will conduct independent research into the latest census based population data that corresponds to the UWMP’s planning horizon, assess trends in land uses in the service area and assess water conservation activities in preparation for the SBx7 7 water conservation analysis. Lacking accurate data and planning information, an UWMP can be more harmful than helpful. Researching up-to-date data for such elements as customer use (by customer class), water rights and deliveries, and anticipated future conditions, will integrate the UWMP analysis and provide a useful planning baseline for the City.

Tully & Young Team will also develop and implement an agency coordination plan. The City's water supplies are interdependent with Solano County Water Agency, Solano Irrigation District and the City of Vallejo and its participating agencies, neighboring Cities, and local districts. As part of the UWMP law, the preparing agency must coordinate and circulate its UWMP to other surrounding agencies for their review. Tully & Young will coordinate and lead – as directed by City Staff – meetings with key public agencies and other strategic stakeholders.

Water planning activities must be coordinated with land planning activities. The City of Benicia houses both planning entities within its confines but other regional land planning agencies may be devoid of water planning expertise. Here, issues such as long-term conservation and demand management – issues that may eventually be the responsibility of land planners – must be coordinated to best address comprehensive joint land and water planning objectives. For instance, land-planning assumptions related to the 2015 regulatory updates of the Model Water Efficient Landscape Ordinance or other similar regulatory items should be regionally coordinated for comprehensive water planning. Tully & Young would coordinate with the City of Benicia's land planners, SCWA, the Bay Area Water IRWMP and regional land planning agencies to accomplish this task.

Task 3 – Service Area Information

Tully & Young will update the City's current service area description to include new demographic and climatologic information. Tully & Young will begin with the information in the 2010 UWMP and 2012 WMP and then analyze new information that will support production of a legally compliant UWMP.

Task 3.1 – Describe City's Service Area and Demographic Features

This service area description will include not only assessing the political boundary of the City, but also assessing the demographic characteristics of the City, the service areas of surrounding water purveyors, the climatic characteristics of the region, and the history of the City. This description will include developing maps with City staff to represent pertinent information.

Tully & Young will place specific emphasis on population and density in 5 year increments through 2040. This characterization will form the basis of the water demand calculations in Task 4.3 below. This characterization will also be informative to the development of baseline calculations for meeting the SBx7 7 conservation obligations. *Moreover, using a 2040 planning horizon rather than a horizon to 2035, allows the City to utilize the document over the course of the next 5 years as the foundational tool for any additional Water Supply Assessment or other CEQA compliance.*

Task 3.2 – Describe Planned Projects

Tully & Young will describe the planned projects and programs that are part of the City's overall water management strategy. These projects and programs include not only water supply projects but also land planning projects that are in the City's interest – specifically commercial and industrial projects. Since the UWMP is a planning tool that allows the City to set the course for water policy over a specific 5 year period (through the next UWMP update in 2020) and it allows the City to strategically develop and describe current planned or approved projects. Moreover, well-described water projects may also help the City qualify for potential funding assistance through state and federal grant programs. One key resource for describing planned projects will be the City's General Plan Update.

Task 3.3 – Assess Climate Characteristics

Tully & Young will assess changing hydrologic and regulatory conditions related to climate change – specifically, sea-level rise. As described above, climate change and sea level rise have potential implications to both the quantity and quality of water available to the City. In addition, new threats such as increased potential for levee failure and flood events may add additional stressors to existing supply and quality conditions. As such, Tully & Young will draw on its experience as the Prime Consultants in the Delta Vision process and with other clients to bring these broad issues into the City’s UWMP process.

Task 4 – Water Resource Reliability

As the primary conclusion of the 2015 UWMP, the integration of supply and demand in 5 year increments for normal, single-dry and multiple dry years will drive the City’s water management philosophy and actions through 2040. To complete this task, Tully & Young will use the supply portfolio described below in Task 4.2 and compare it to the demand characterization in Task 4.3 to reach a water supply reliability conclusion.

Based on initial integration results, Tully & Young will consult with the City to define how potential shortage or surplus conditions will be discussed and resolved – such as determining any need for temporary replacement water to maintain desired levels of service under shortage conditions or possibly marketing water under certain surplus conditions. The role of the Urban Water Shortage Contingency Plan will also need to be evaluated to establish the level of mandated customer conservation the City will require to balance supplies and demands under particular hydrologic or regulatory conditions. This is described later in this proposal under Task 7.

Task 4.1 – Review and Assess Supply and Demand Assumptions and Conclusions in Other Documents

This task provides important underpinnings and evaluation of the potential variety of assumptions presented in other City documents including the 2010 UWMP, 2012 WMP the IRWMP, recent EIRs as well as other pertinent data and reports identified by City Staff. Because California Supreme Court’s ruling in *Vineyard Area Citizens Case (Vineyard)* identified, among other things, the need to explain changes in water demand and supply characterizations, knowing the City’s historic representations will allow the UWMP to address and provide a basis for any variance that might result. Tully & Young will work with City staff to assess the congruence of assumptions. This assessment will also track the Agency Coordination activities in Task 2.

Task 4.2 – Supply Analysis and Characterization

Using the characterization included in the 2010 UWMP, the 2012 WMP, recent EIR’s and other regional documents (specifically those of SCWA), Tully & Young will develop a full supply analysis. Tully & Young will review the status and representation of the resources in the City’s water supply portfolio and update information accordingly with particular attention to supply issues that could be tied to climate change. The review and update will include discussions with City staff about changed conditions, evaluation of water quantity and quality conditions, status of surface water rights and filings, and analysis of impacts to all supplies from recent hydrologic and regulatory events. The update will also use information presented in the SCWA IRWMP to update regional management efforts and coordination activities.

Using information provided by the City, Tully & Young will provide a qualitative discussion of the potential impacts from climate change to the City’s water supply portfolio to reflect the

most recent knowledge and direction available from the Department of Water Resources.

Overall, particular attention will be provided to developing a supportable basis for the reliability of each of the City's supply sources in 5 year increments over the planning horizon under differing hydrologic and regulatory conditions (average year, single year and multiple-year dry year conditions). Providing a legally supportable basis for reliability enables the City to rely on the 2015 UWMP to support future water management activities.

Task 4.3 – Water Demand Analysis

Using the most recent water usage data made available by the City, Tully & Young will perform the following technical tasks: (1) present the historic and most current demand characteristics for an array of residential and non-residential uses (consistent with the land use planning designations, the 2010 UMWP, the 2012 WMP, and other pertinent guiding materials); (2) coordinate with City staff and regional agencies to determine unit water demand factors – indoor versus outdoor, residential versus non-residential, and normal versus dry-year – for current land-use and customer conditions (3) assess projections relative to continued efforts toward demand management, incremental reductions in the factors over the required reporting time steps and anticipated reductions to meet new statutory conservation targets (see Task 5); and (4) project total water demand for the required reporting time steps out to 2040 using land use planning data consistent with the assumptions in other relevant documents.¹

This work will ground the City's effort to evaluate historic demands and help define a baseline demand (per SB x7 7) that facilitates

the City's ability to optimally meet reduction targets. This exercise is a critical "behind-the-scenes" step for this version of the 2010 UWMP and may be critical to the characterization of historic demands as contemplated in this task. Meeting the SB x7 7 requirements is more fully described in Task 5 later in this proposal.

Task 4.4 – Recycled Water, Storm Water Recapture and Desalination Opportunities

The City provides its own wastewater collection, treatment and disposal services to customers in its service area. The City continues to work with regional business to use this water supply in the City's service area. But the City may also find opportunities to value and market this water to alternative sources. The UWMP can lay the foundation for opening new opportunities for recycled and recaptured water use within the City's service area and outside the City's service area.

Task 4.5 – Water Transfers and Exchanges

Tully & Young is uniquely qualified to prepare clients for potential water transfers and exchanges – both as buyers and sellers. Tully & Young has successfully implemented numerous water transfers that have provided financial gain to their clients. In this light, we will use the 2015 UWMP to ground potential future water transfer based upon the City's water rights and defined water supply portfolio as developed under Task 4.2. Each type of water right has special legal and regulatory issues that require attention. Tully & Young knows how to use the 2015 UWMP update to position these potential water transfers to bring financial gain to the City. Example strategies include identifying certain water sources as applying only to particular demands so that the appropriate water rights are available for transfer during high demand times of year.

¹ Tully & Young suggests the UWMP analysis extend to 2035 instead of the minimum 20 years. This allows the UWMP to serve as a basis for potential other SB 610 WSA documents and CEQA analyses that may occur between the 2015 and 2020 UWMP updates.
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Task 5 – Demand Management Measures

Since the City is a member of the California Water Conservation Council, it may use its BMP reports to ground the demand management issues in the 2015 UWMP. However, Tully & Young will carefully review these materials as they can have an immediate and long-term impact on the overall requirements under SBx7 7 moving forward. Specifically, the characterization of the baseline from which demand calculations are centered can directly implicate the amount of water that the City will need to conserve in the future and the associated conservation costs.

Task 6 – Water Conservation Plan

In consideration of Task 5 above, Tully & Young will work with the City to develop additional demand management measures to meet future water reduction objectives and comply with SB x7 7. Proposed measures will be based upon Tully & Young’s experience with similarly situated water purveyors and the ability of the City to work with local land use entities.

SB x7 7 mandates a 20 percent reduction in the per-capita water use throughout the State by the year 2020. The legislation requires purveyors to determine and report “urban water use targets” for achieving the goal of 20 percent conservation by 2020. Under this task, Tully & Young would (1) assist the City with calculating various alternatives to establish required baseline water use values, (2) discuss the advantages and disadvantages that may relate to various baseline determinations, and (3) calculate and compare the 2015 conservation savings and 2020 conservation targets using varied methods allowed by law. Analysis would include consideration of historic use, application of temporary water conservation ordinances, and how planned future water management activities would best position the City to meet defined targets. Thus

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there is clearly cross-over with Tasks 8 and 9 discussed later in this proposal.

SB x7 7 requires that these values be quantified in the 2015 UWMP. Considering the Department of Water Resources’ efforts to define a “Method 4” and the City’s schedule, Tully & Young recommends that a strategic decision should be made as to how this information is to be included in the adopted 2015 UWMP.

These calculations can help direct how required demand information is characterized and reported – ultimately helping the City maintain reporting consistency and position itself for optimum compliance with these new requirements. One work session with City staff will be held to discuss approaches, assess varying outcomes and discuss strategic approaches. The information developed under this task will be presented in a technical memo that will be used by the City to support representation of data in the 2010 UWMP.

Task 7 – Water Shortage Contingency Analysis

Tully & Young will assess the City’s current urban water shortage contingency plan based upon the City’s existing dry year planning efforts and ordinances as well as the potential for catastrophic outage. Such analysis will assess the existence and effectiveness of the City’s conservation ordinances, the baseline assumptions in the City’s water rights, as well as the additional planning components necessary to conserve water during hydrologic or regulatory droughts and catastrophic outage. Tully & Young, Inc. will utilize data collected during the last two years of drought and demand management requirements issued by the SWRCB. The Plan will also qualitatively address climate change variables as described above and how those variables may impact overall water supply reliability. Last, the plan

will be developed to complement the water conservation requirements under SB x7 7.

Tully & Young will describe the existing water shortage contingency plan and its relation to local and regional suppliers. For instance, the plan will describe emergency water interties and potential new intertie systems. The plan will also describe – as related to the supply and demand analyses in Tasks 4– the worst-case predicted supply and demand at the end of 12, 24, and 36 month periods. Tully & Young will also describe the other components of the City’s Water Shortage Contingency Plan including: stages of rationing and triggers, mandatory water prohibitions and consumption limits, penalties and charges for excessive use, and public noticing and monitoring mechanisms.

Tully & Young will also provide the City with proposed updates to the existing contingency plan. Such updates will include the rationale for suggested modifications as well as a revenue and expenditure analysis associated with implementing new activities. Tully & Young will work with City staff to implement the suggested changes through modifications to the City’s ordinances. Necessary updates will be incorporated into the 2015 UMWP.

Task 8 – Public Participation

Tully & Young is committed to engaging the public in the UWMP process. In addition, Tully & Young is committed to coordinating these efforts with the Agency Outreach efforts as outlined in Tasks 1 and 2. Tully & Young will encourage public participation through a series of public meetings. This outreach is critically important to sound water management planning because the City needs the public to actively accept the final document’s conclusions and implementation strategies. Specifically, where residents may bear the costs of conservation or where dry year management strategies need to be implemented, it is better if

the public is fully on board with the recommendations in the plan.

Tully & Young recognize that a Task Force was developed for the 2010 plan to assist in public outreach and participation. We would explore developing a similar entity based upon the recommendation of City Staff and the City Council. In addition, Tully & Young will coordinate activities with the Community Sustainability Commission in an effort to meet its sustainability objectives.

In short, Tully & Young will work diligently to solicit comments and input from the public in order to produce a well-constructed UWMP.

Task 9 – Plan Preparation

As required under Water Code §10610 et seq., Tully & Young will prepare documentation to meet all other statutorily required reporting elements for the 2015 UWMP. Tully & Young will incorporate all relevant information developed under Tasks 1 through 8, as well as other strategic information developed under those tasks that may not be legally required, but only after full consultation with City staff.

Additionally, Tully & Young will appropriately incorporate the City’s current emergency response plan into the 2015 UWMP, reflecting any necessary changes since the 2010 UWMP. Tully & Young will assist City staff in developing all administrative materials for the final adoption of the 2015 UWMP, including relevant briefing documents, agendas, and resolution materials, as directed by City staff.

Tully & Young will prepare for and attend the Public Hearing for the UWMP scheduled for either June 2016. The hearing will require preparing a PowerPoint presentation that follows the main points of the UWMP and articulates the findings and conclusions.

Tully & Young will assist the City to solicit public review comments during the formal

public hearing and through the public review period required by the UWMP statutes. Tully & Young will coordinate with the City for its noticing of the public hearing. These notices shall consist of dates, times, and agendas for the public hearing. Tully & Young will work with City staff to facilitate electronic posting of information and timelines.

Under this task, Tully & Young will work with the assigned DWR review staff to facilitate their review of the administrative draft of the 2015 UWMP. Two primary subtasks are envisioned:

Task 9.1 – Prepare First Draft Report

Tully & Young will prepare the first administrative draft of the 2015 UMWP by May 15, 2016 to reflect data and analysis collected and performed under Tasks 1-8. This draft is intended for the City’s internal review and comment. As required in the Deliverables component of the Scope of Services in the RFP, Tully & Young will provide the City with 3 administrative draft hard copies and one electronic version of the document in Microsoft Word.

The draft will also be used to solicit initial (informal) comments from DWR, City Staff, the Community Sustainability Commission, regional agencies and the public.

Task 9.2 – Consult with DWR Staff of Draft 2015 UMWP

Tully & Young anticipates one face-to-face meeting with DWR staff as well as needed phone and e-mail communications to discuss the materials in the administrative draft of the 2015 UWMP and to develop acceptable resolutions to any potential concerns. Though the availability of DWR staff is unknown, for purposes of this proposal, Tully & Young assumes DWR will provide comments and participate in a scheduled meeting within 20 days of their receipt of the first draft report under Task 9.1.

Task 9.3 – Incorporate and Respond to DWR Comments, Council Comments and Public Comments

Given the comments from DWR staff on the administrative draft, Tully & Young will address all comments, subject to discussions with City staff and other comments that are received from the public, City Staff, City Council and the Community Sustainability Commission. These comments will be addressed with the assistance of the City’s project manager.

Task 9.4 – Prepare and Publish Final 2015 UWMP Report

Tully & Young, Inc. will prepare a final draft Urban Water Management Plan by June 15, 2016 documenting the efforts and evaluation performed in Tasks 1 through 8 and incorporating all formal City comments and informal comments from relevant agencies. The final UWMP will, at a minimum, satisfy all legal requirements under California Water Code §10610 et seq. Based upon recent legislation and the desired timing for adoption by the City, these requirements will be broader than those reflected in the City’s 2010 UWMP.

Tully & Young will format the final approved 2010 UMWP, including a copy of the Council’s adopting resolution from the June 2016 hearing. The text and tables for the final report will reflect any additional changes from the Commission.

Tully & Young, Inc. will provide 7 hard copies of the final report and electronic copy in Microsoft Word.

SECTION 5 – PROPOSED PROJECT SCHEDULE

City of Benecia 2015 Urban Water Management Plan Proposed Timeline

Task	2015		2016					July
	Dec	Jan	Feb	Mar	Apr	May	June	
Task 1 - Urban Water Management Plan Preparation								
								
Task 2 - Data Collection and Agency Coordination								
Task 3 - Service Area Information	 							
Task 4 - Water Resource Reliability								
Task 5 - Water Supply Demand Integration								
Task 6 - Water Conservation Plan								
Task 7 - Water Shortage Contingency Analysis								
Task 8 - Public Participation								
Task 9 - Plan Preparation								

-  Work Session
-  Presentation
-  On-going activities during period shown
-  Periodic activities during period shown

SECTION 6 – PROPOSED BUDGET

City of Benicia Cost Proposal for 2015 UWMP	 Comprehensive Water Planning						Project Total
	Principal	Senior Resource Planner	Resource Planner	Admin. Assistant	Senior Project Manager	Associate Engineer	
2015-16 Rates (\$/hr)	\$220	\$175	\$150	\$75	\$210	\$175	
Task 1 - Urban Water Management Plan Preparation							
Subtotal (hours)	2	0	0	4	2	0	8
Subtotal (budget)	\$440	\$0	\$0	\$300	\$420	\$0	\$1,160
Task 2 - Data Collection and Agency Coordination							
Subtotal (hours)	2	4	8	2	5	2	23
Subtotal (budget)	\$440	\$700	\$1,200	\$150	\$1,050	\$350	\$3,890
Task 3 - Service Area Information							
3.1 Describe City's Service Area and Demographic Fea	2	0	10	0	2	2	16
3.2 Describe Planned Projects	2	0	10	0	2	2	16
3.3 Assess Climate Characteristics	2	5	10	0	0	0	17
Subtotal (hours)	6	5	30	0	4	4	49
Subtotal (budget)	\$1,320	\$875	\$4,500	\$0	\$840	\$700	\$8,235
Task 4 - Water Resource Reliability							
4.1 Review and Assess Supply and Demand Assumptio	5	10	20	0	0	0	35
4.2 Supply Analysis and Characterization	5	10	20	0	0	0	35
4.3 Water Demand Analysis	0	0	20	0	5	0	25
4.4 Recycled Water, Storm Water, Recapture and Desalination Opportunities	5	5	5	0	5	0	20
4.5 Water Transfers and Exchanges	5	0	5	0	0	0	10
Subtotal (hours)	20	25	70	0	10	0	125
Subtotal (budget)	\$4,400	\$4,375	\$10,500	\$0	\$2,100	\$0	\$21,375
Task 5 - Demand Management Measures							
Subtotal (hours)	5	10	20	0	5	0	40
Subtotal (budget)	\$1,100	\$1,750	\$3,000	\$0	\$1,050	\$0	\$6,900
Task 6 - Water Conservation Plan							
Subtotal (hours)	5	10	20	0	5	0	40
Subtotal (budget)	\$1,100	\$1,750	\$3,000	\$0	\$1,050	\$0	\$6,900
Task 7- Water Shortage Contingency Analysis							
Subtotal (hours)	10	10	5	0	5	0	30
Subtotal (budget)	\$2,200	\$1,750	\$750	\$0	\$1,050	\$0	\$5,750
Task 8 - Public Participation							
Subtotal (hours)	10	0	10	5	5	0	30
Subtotal (budget)	\$2,200	\$0	\$1,500	\$375	\$1,050	\$0	\$5,125
Task 9 - Plan Preparation							
9.1 Prepare First Draft Report	10	10	35	10	5	0	70
9.2 Incorporate and Respond to DWR Comments, Cou	5	5	20	10	0	0	40
9.3 Consult with DWR Staff or Draft 210 UWMP	5	5	0	0	0	0	10
9.3 Prepare and Publish Final 2010	10	10	20	10	5	5	60
Subtotal (hours)	30	30	75	30	10	5	180
Subtotal (budget)	\$6,600	\$5,250	\$11,250	\$2,250	\$2,100	\$875	\$28,325
Total (hours)	90	94	238	41	51	11	525
Total Labor (budget)	\$19,800	\$16,450	\$35,700	\$3,075	\$10,710	\$1,925	\$87,660
					Travel and Document Expenses		\$2,000
					Total Project (budget)		\$89,660

Guidebook for Retailers’ 2015 Urban Water Management Plans

The Guidebook to Assist Retail Urban Water Suppliers Prepare a 2015 Urban Water Management Plan (Guidebook) has been developed by the California Department of Water Resources (DWR) to assist retail urban water suppliers in preparing and adopting Urban Water Management Plans (UWMPs or Plans) that meet the requirements of the California Water Code (CWC) and provide useful information to the public about water suppliers and their current and future water management programs.

Existing law requires a city or county, upon the adoption or revision of its general plan, on or after January 1, 1996, to utilize as a source document, any urban water management plan submitted to the city or county by a water agency.

Urban Water Management Plans and the California Water Code

In accordance with the Urban Water Management Planning Act (UWMP Act), urban water suppliers with 3,000 or more service connections or supplying 3,000 or more acre-feet of water per year are required to prepare a UWMP every five years for the years ending in “0” and “5”.

After a supplier submits its Plan, DWR will review the plan utilizing the provided checklist (Appendix F) and make a determination as to whether or not the UWMP addresses the requirements of the CWC.

The Guidebook is meant to help urban water suppliers better understand requirements of the CWC, and summarizes major water legislation impacting UWMP development. Urban water suppliers are advised to consult legal counsel as they are solely responsible for ensuring that all CWC requirements and applicable laws have been met.

Urban Water Management Planning Act *(Click for link to code in Appendix H)*

The UWMP Act directs water agencies in carrying out their long-term resource planning responsibilities to ensure adequate water suppliers are available to meet existing and future demands.

The UWMP Act requires urban water suppliers to report, describe, and evaluate:

- Water deliveries and uses
- Water supply sources
- Efficient water uses
- Demand management measures

The UWMP Act also requires water shortage contingency planning and drought response actions to be included in the Plan.

Water Conservation Bill of 2009 (SBX 7-7) *(Click for link to code in Appendix I)*

The Water Conservation Bill of 2009 requires retail urban water suppliers to report in the UWMPs base daily per capita water use (baseline), urban water use target, interim urban water use target, and compliance daily per capita water use. Development of UWMPs will also enable water agencies and, in turn, the State of California to set targets and track progress toward decreasing daily per capita urban water use throughout the state.

Beginning in 2016, water suppliers are required to comply with the water conservation requirements in SBX 7-7 in order to be eligible for State water grants or loans.

Applicable Changes to the Water Code since 2010 UWMPs *See Appendix B for a detailed table of these changes.*

- Demand Management Measures CWC Section 10631 (f) (1) and (2) – AB 2067
- Submittal Date – CWC Section 10621 (d) AB 2067
- Standardized Forms – CWC Section 10644 (a) (2) SB 1420
- Water Loss – CWC Section 10631 (e) (1) (J) and (e) (3) (A) and (B) SB 1420
- Voluntary reporting of passive savings CWC Section 10631 (e) (4) SB 1420
- Voluntary reporting of energy intensity CWC Section 10631.2 (a) and (b) (SB 1036)
- Voluntary reporting of decreased reliance on the Delta- CWC Section 5003(c) (1) (C)

Guidebook Organization

This document provides guidance specific to urban retail water suppliers. For guidance specific to wholesalers, **click here**. For water suppliers that are both wholesaler and retailer, **click here**.

The Guidebook provides specific guidance for addressing stated UWMP requirements identified in the CWC.

The Guidebook also provides recommendations for including context that will assist readers to better understand the resource management of the water agency. Required elements are clearly distinguished from recommended elements.

Each water supplier has a variety of unique circumstances; water suppliers need not limit themselves to the requirements and recommendations found in the Guidebook. Suppliers may include any additional information that will better describe their agency and water management to the reader.

The order of the section topics in the Guidebook is the same as the recommended order for UWMPs.

Standardized Forms, Tables, or Displays *(See Appendix E)*

CWC 10644 (a) (2) The plan, or amendments to the plan, submitted to the department ... shall include any standardized forms, tables, or displays specified by the department.

DWR, in collaboration with the Guidebook Advisory Committee, has developed standardized tables for the reporting and submittal of UWMP data. The standardization of data tables allows for more efficient data management, expedited review of UWMPs, and easier compilation of data for analysis of statewide water use.

Water agencies are required to use the standardized tables in their UWMPs.

Each section in the Guidebook will contain all applicable, standardized tables in a PDF format, for quick viewing, and links to the active tables, in the form of Excel spreadsheets.

Placeholder – method for submitting data tables.

Appendices

The appendices provide detailed and specific information, or supporting documents related to preparing a UWMP.

Recommended UWMP Organization

DWR recommends, but does not require, that an urban water supplier use the organization outlined below to prepare its 2015 UWMP. (The Guidebook uses this same organization.)

This organization groups the requirements by topic and presents the topics in the order in which a water supplier may consider including them in a UWMP. This does not follow the order of the legislation.

Section 1- Plan Preparation

- Agencies Required to Prepare a Plan
- Coordination and Outreach
- Regional Planning

Section 2 - System Description

- General Description
- Service Area Map(s)
- Service Area Climate
- Service Area Population

Section 3 - Water Demand

- Water Demands by Sector
- Distribution System Losses
- Water Savings from Codes, Ordinances, or Transportation and Land Use Plans **(Optional)**
- Coordination between Wholesalers and Retailers
- Water Use for Lower Incomng Households
- Climate Change (Optional)

Section 4- Baselines and Targets

- Baselines and Targets
- 2015 Target Compliance

Section 5 - System Supplies

- Summary of Existing and Planned Water Sources
- Wholesale Supplies
- Supplier Produced Groundwater
- Supplier Produced Surface Water
- Wastewater and Recycled Water
- Desalinated Water Opportunities
- Exchanges or Transfer
- Climate Change Impacts to Supply
- Future Water Projects

Section 6— Water Supply Reliability

- Supplementing Inconsistent Sources
- Water Quality
- Reliability by Water Year Type
- Supply and Demand Comparison
- Regional Supply Reliability
- Climate Change (Optional)

Section 7 – Water Shortage Contingency Planning

- Stages of Demand Reduction
- Prohibitions and Consumption Reduction Methods
- Penalties, Charges, Other Enforcement
- Determining Reductions
- Revenue and Expenditure Impacts
- Water Shortage Contingency Resolution or Ordinance
- Catastrophic Supply Interruption
- Minimum Supply Next Three Years

Section 8 — Demand Management Measures

- DMMs
- Implementation Plan

Section 9 — Plan Adoption and Submittal

- 60 Day Notice Prior to Public Hearing
- Notice of Public Hearing

- Public Hearing
- Plan Adoption
- Plan Submittal
- Public Availability
- Amending an Adopted UWMP

Section 10 — Climate Change (optional)

Section 11 — Water Energy (optional)

Grant or Loan Eligibility

A UWMP is required for an urban water supplier to be eligible for a water management grant or loan administered by DWR. A current UWMP must also be maintained by the water supplier throughout the term of any grant or loan administered by DWR.

Changes to California law require that, beginning in 2016, water suppliers comply with water conservation requirements established by the Water Conservation Act of 2009 in order to be eligible for State water grants or loans. For 2015 UWMPs, this will mean that water agencies have met their 2015 target GPCD. (See Section 4)

Tips for UWMP Preparers

Consider developing a regional plan or forming a regional alliance (*Appendix D*). Before developing the UWMP, decide whether to write an individual or a regional plan. Suppliers who have been heavily involved in regional coordination may consider developing a regional plan, or forming a regional alliance.

Review the legislative changes since the 2010 UWMP cycle (*Appendix B*). Changes to the California legislative directly addressing preparation of UWMPs is discussed in Appendix XX.

Review the UWMP deadline and adoption processes during plan development. (Section XX). Suppliers must submit their UWMP to DWR by Friday, July 1, 2016. The adoption and notification processes are detailed in Section XX. Suppliers should take into account the time needed for the plan to be developed, adopted, and submitted.

If a requirement does not seem to apply to your agency, include an explanation in the UWMP. If an urban water supplier considers that a UWMP requirement does not apply to it, a useful approach is to identify the requirement and provide a brief description of why the requirement does not apply. If a required element is not discussed, it could result in the UWMP not being determined to be 'complete'.

Ask for guidance or clarification. If there is a question about what to include in a UWMP prior to adoption, please contact a DWR regional team member. This could avoid the need to have additional information requested by DWR during the review process and the subsequent need to adopt an addendum or amendment.

Provide an executive summary. An executive summary provides useful and concise summary of the plan for readers.

DRAFT

AGENDA ITEM
CITY COUNCIL MEETING DATE - DECEMBER 1, 2015
CONSENT CALENDAR

DATE : November 18, 2015

TO : City Council

FROM : City Manager

SUBJECT : **UPDATE ON EMERGENCY CONTRACTS FOR CLOCK TOWER ELEVATOR REPLACEMENT**

RECOMMENDATION:

Review the report and affirm by a 4/5 vote that continued emergency contracting by the City Manager is necessary to provide temporary ADA access and to purchase and install a permanent replacement elevator and associated improvements at the Clock Tower.

EXECUTIVE SUMMARY:

An inspection identified defects beyond repair, necessitating the immediate removal of the Clock Tower elevator from operation. A number of weddings and other large events had already been scheduled at the Clock Tower through fall. Staff therefore entered into contracts to provide temporary alternate access to the second floor of the Clock Tower that meets Americans with Disabilities Act standards and to purchase and install the permanent replacement elevator. Provided is an update on the status of both the temporary and permanent replacement elevators.

BUDGET INFORMATION:

The total cost for use of the temporary elevator is estimated at \$99,096. The purchase and installation of the permanent replacement elevator is estimated at \$236,668. The funds for both of these items will be drawn from the General Fund reserves and transferred to the Internal Services Fund-Facilities, Account No. 113-9205-9521.

GENERAL PLAN:

Relevant General Plan Goals and Policy:

- GOAL 2.11: Encourage the retention and continued evolution of the lower Arsenal into a historic/cultural/commercial/industrial center of mutually compatible uses.
- GOAL 2.16: Ensure access needs of individuals with disabilities.
 - POLICY 2.16.1: Provide for adequate public access in all forms (walks, buildings, transportation) in conformance with the Americans with Disabilities Act (ADA).

- Program 2.16.A: In places that accommodate the public, remove barriers to access or provide alternative services when barriers cannot be removed.
- Program 2.16.B: Require that publicly sponsored programs, activities and transportation facilities are accessible to individuals with disabilities (including employees).
- GOAL 2.28: Improve and maintain public facilities and services.
- GOAL 3.1: Maintain and enhance Benicia's historic character.

STRATEGIC PLAN:

Relevant Strategic Issues and Strategies and Actions:

- Strategic Issue 5: Maintain and Enhance a High Quality of Life
 - Strategy 4: Preserve City-owned Historic Structures
 - Action 4.b.: Maintained City-owned historic structures (e.g. Benicia Historical Museum, SP Depot, Clock Tower)

BACKGROUND:

The Clock Tower, which the City acquired in 1964, is the City's largest rental facility with a maximum seating capacity of 536 and maximum standing capacity of 750. The facility is heavily used and is rented for more than 100 events per year. It is also used for several classes offered through the City. Staff believes the existing Clock Tower elevator was installed prior to 1915. As a result of two malfunctions of the elevator, staff had the elevator professionally inspected in July. The inspection identified defects that could not be repaired, making it necessary to immediately remove the elevator from operation and install a temporary elevator until the permanent elevator is completed. Per the emergency contracting provisions used to get the elevator in working order, staff is required to provide Council a report on project status every two weeks until the work is done.

Bigge Crane and Rigging Company installed the temporary elevator, which was approved for public use on August 14. Installation of the permanent replacement elevator by Dream Ride Elevator is expected to be completed in late December. The new permanent elevator will need to be approved by the State prior to use by the public, which is expected to occur in late December or early January.

Staff will continue to provide City Council updates on project progress at every Council meeting until the project has been completed or terminated.

Attachment:

- Excerpt from Benicia Municipal Code – Emergency Contracting Procedures

3.09.050 Emergency contracting procedures.



- A. In the event of an emergency, the city council, pursuant to Section 22050(b)(1) of the Public Contract Code of California, delegates to the city manager or, in his/her absence, the public works director, the authority to repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts.
- B. If the city manager or public works director orders any action specified in subsection (A) of this section, that person shall report to the city council, at its next meeting required herein, the reasons justifying why the emergency will not permit a delay resulting from a competitive solicitation for bids and why the action is necessary to respond to the emergency.
- C. The city council shall initially review the emergency action not later than seven days after the action, or at its next regularly scheduled meeting if that meeting will occur not later than 14 days after the action, and at least at every regularly scheduled meeting thereafter until the action is terminated, to determine, by a four-fifths vote, that there is a need to continue the action, unless the city manager or public works director has terminated that action prior to the city council reviewing the emergency action and making a determination pursuant to this subsection.
- D. When the city council reviews the emergency action pursuant to subsection (C) of this section, it shall terminate the action at the earliest possible date that conditions warrant so that the remainder of the emergency action may be completed by giving notice for bids to let contracts. (Ord. 03-5).

AGENDA ITEM
CITY COUNCIL MEETING DATE - DECEMBER 1, 2015
BUSINESS ITEMS

DATE : November 14, 2015

TO : City Manager

FROM : Public Works Director
Water Treatment Plant Superintendent

SUBJECT : **AWARD OF CONTRACT FOR WATER METER
REPLACEMENT/ADVANCE METERING INFRASTRUCTURE
CONSULTANT**

RECOMMENDATION:

Award a performance-based contract to Siemens Industry, Inc. to manage and construct the Water Meter Replacement/Advanced Metering Infrastructure (AMI) Improvement Project.

EXECUTIVE SUMMARY:

On March 13, 2015, the City issued Requests for Qualifications (RFQ) to five firms to provide a Statement of Qualifications (SOQ) and Business Case Analysis (BCA) for the City's upcoming water meter replacement program. If approved, the program would replace the City's existing, aging, residential and commercial water meters, and also install a remote-read system that is linked to the billing system and allows customer access to water usage and billing data.

In response to the RFQ, the City selected three firms (Siemens, Johnson Controls, and Ferguson Waterworks), to submit a formal Proposal to replace the entire water meter system and install an Advanced Metering Infrastructure (AMI). After interviewing each of the firms and carefully reviewing their proposal and interview responses, staff believes that Siemens would be the best project and construction manager to serve the City's needs.

GENERAL PLAN:

Relevant General Plan Goals:

- Overarching Goal of the General Plan: Sustainability
- Goal 2.28: Improve and maintain public facilities and services
- Goal 2.36: Ensure an adequate water supply for current and future

STRATEGIC PLAN:

Relevant Strategic Plan Goals and Strategies:

- Strategic Issue 2: Protecting and Enhancing the Environment
 - Strategy 2: Implement new water conservation projects/programs
- Strategic Issue 4: Preserving and Enhancing Infrastructure
 - Strategy 4: Provide adequate funding for ongoing infrastructure needs

BUDGET INFORMATION:

The Siemens contract is for the design and construction management of the water meter replacement and AMI installation. Within this project there are major steps that must be completed, prior to the selection, purchase and installation of the new water meters. For funding of this project, the costs are separated into two main phases, design and installation. As these phases progress, staff will check in with the City Council for authorization, particularly during the selection of financing options for the major capital costs.

To proceed with the design, investment grade audit, and pre-installation contract phases (i.e., Tasks 1 and 2), staff is recommending the use of Water Fund reserves, in the amount of \$128,600, which could be refunded upon the authorization to move forward with financing options for the total project costs.

In summary, the full cost of the project is estimated to be:

- \$400k to \$458k for project and construction management (i.e., Tasks 1-7 of the attached Scope of Work); and
- Between \$3.5M to \$4.5M for capital costs, which are dependent on meter and AMI selection.

At the July 21st meeting, the City Council directed staff to return with financing options for the total cost of the project. This will come after Tasks 1 and 2 described above. The consultant will assist Finance with the preparation of a Request for Qualifications for the estimated total of \$5 million should the City Council agree to continue with the project. These financing options will then come back at a subsequent City Council meeting for the City Council's consideration.

One of results of older meters is that they begin to read slower as they age. It is estimated that the aging water meters may be resulting in an 8-12% loss in water consumption citywide. Past discussions on this non-revenue water have suggested that the meter replacement would be self-funded through this increased consumption revenue. However, staff is recommending a flat fee be added to as part of the upcoming water rate proposals to fund the water meter replacement project. First, the City is replacing all meters in this proposal; therefore the revenue generated to support this infrastructure improvement should be funded equally by all customers. Under the assumption that the meter replacement could have varying revenue from individual meters means

that some customers may have greater burden than others to fund the project, but it will be fair in that it will reflect actual consumption. Secondly, the recent drought has reminded the City that variable revenues generated by consumption are much more volatile than a fixed component. There have been recent reports from other agencies who had relied upon the new water consumption as the funding source and found that their anticipated revenues have not met the debt obligations.

As part of the upcoming water rate discussions, staff will provide greater details on the recommendation for a fixed fee for the water meter replacement project and how the overall rates will take into consideration the potential impacts of larger customer consumption as part of the citywide rates.

BACKGROUND:

In May, the 2014-2015 Solano Grand Jury issued a report titled: "Mitigating Water Loss." The report noted that the City treats 25% more water than is sold. While some water is lost through leaks in the distribution system, the majority of non-revenue water is caused by inaccurate water meters. Sixty percent of the water meters in the city are over 20 years old, while the typical replacement schedule by most agencies is 15 to 20 years.

As water meters get older they read less flow and eventually stop reading any amount of flow going through the water meter. Since 75 to 90% of water enterprise fund expenses are fixed, people with older meters will be paying their proportionate share of these costs after their water meters are replaced. This will allow for a more accurate distribution of the true cost of water usage across all customers. Additionally, it has been shown that when customers know their true water usage, they are more likely to conserve water.

On March 13, City staff issued a Request for Qualification (RFQ) to five firms to provide a Statement of Qualifications (SOQ) and Business Case Analysis (BCA). The BCA is an industry-standard assessment that provides an overview of potential cost savings that might be achieved through a water meter replacement program. The BCA considers existing meter sizes, age, and accuracy, water usage, and current water meter reading staffing, among other factors. In April, Siemens, Johnson Controls, Ferguson Waterworks, PERC Water and Aclara submitted and City Staff, including the Contract Engineer and Water Treatment Plant Superintendent, evaluated SOQ's and BCA's.

Three firms, Siemens, Johnson Controls, and Ferguson Waterworks, provided qualifications and a BCA that most closely met the requirements stated in the RFQ. The attached Business Case Analysis (BCA) suggested that the City will realize an annual net cash flow in the 14th year. JCI, through Wulff, Hansen &

Co., report a 9.5 year payoff, with a \$3.5M excess revenue after debt service at an overall interest rate of 2.9%.

In June, City staff prepared a Request for Proposal (RFP) to provide an investment grade audit, financing plan for the replacement of the water meters, and the installation of an automated metering infrastructure (AMI) remote meter reading system. The RFP requested proposals for providing the following services to the City:

- 1) Project Planning; Financing Alternatives
- 2) Selection & Installation of the AMI System
- 3) Selection & Installation of the Water Meters
- 4) Integration of AMI with the City's billing system
- 5) Post-Construction Services for the project

The RFP outlined the objectives of the Project:

- 1) Install a turn-key system of new meters and AMI that is field tested and have a service life of 20 years
- 2) Introduce a water meter management system that tracks meter age, performance, and maintenance history
- 3) Guarantee an expected meter reading accuracy of 98.5% or greater for all water meters in the system during the life of the meter
- 4) Select a two-way communication AMI system that utilizes leading-edge technology and open architecture to ensure compatibility with all meters
- 5) Select an AMI system that is compatible with the City's Tyler Munis Enterprise Resource Planning (ERP) software
- 6) Provide access to all collected meter data in order to expedite daily operations, perform query searches, conduct advanced data analysis
- 7) Provide enhanced products and services to customers, such as internet-based information access to their water bills.

The benefits of replacing the aging water meters will be three-fold:

- 1) Realize an accurate and equitable revenue from all water customers employ a new meter reading technology that will provide hourly meter reads through radio transmission, allowing maintenance staff to maintain the water system instead of obtaining metering information provides current water usage information for our customer through a website portal.
- 2) The project will also help identify leaks past the meter more quickly and can be expanded to include acoustic listening devices in the distribution system to locate leaks in water mains.
- 3) The elimination of staff time to read 9,800 meters will reduce greenhouse gas emissions from the City vehicles, reduce vehicle costs, and free up

staff to spend more time on things like leak repairs, hydrant flushing and valve exercising.

The RFP indicated that the selected firm will provide a full range of services, including system analysis and evaluation, project planning, financial consulting, technical specification development, project management, construction management, and system integration. The AMI system must have the capability to support different meter manufacturers and to be cost-effectively expanded to include the City's entire service area.

On July 21, City staff made a presentation to the City Council and the City Council concurred with staff issuing the RFP to the three firms.

Although Siemens' cost proposal is higher than the other two proposers, based on their SOQ, BCA, and their excellent proposal submitted in response to the RFP, staff recommends that the City Council award a performance-based contract to Siemens Industry, Inc. for the Water Meter Replacement and AMI Improvement Project. Siemens offers the widest breath of experience in helping cities replace water meters and install an advanced metering infrastructure system successfully. During the interview with staff, Siemens clearly demonstrated their understanding and expertise required to deliver a turn-key operation in completing the project. Additionally, Siemens offers a trusted experienced advisors and managers as part of the project, with the expertise to finance and deliver the project with a full guarantee, no change orders, at a fixed price.

It should be noted that much of the increased cost with Siemens is primarily due to the higher personnel allotment estimated to successfully complete the water meter replacement and AMI deployment. These additional personnel-related resources have been evaluated and deemed critical to the success of the project, given that City staff has neither the necessary expertise nor capacity to fully manage this project. Further, Siemens offers a higher level of public outreach and customer interaction that will be paramount for this citywide project affecting over 9,500 customers. While not the lowest cost proposal, staff feels that the nature of the professional services required for this project affords selection of Siemens based on "quality based selection" criteria.

Attachments:

- Resolution
- Business Case Analysis
- Agreement
- Scope and Fee Proposal
- Minutes of the City Council Meeting on July 21, 2015

RESOLUTION NO. 15-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA AWARDED CONTRACT TO SIEMENS INDUSTRY, INC. FOR THE BENICIA WATER METER REPLACEMENT/ADVANCE METERING INFRASTRUCTURE PROJECT IN THE AMOUNT OF \$128,600, AUTHORIZING THE CITY MANAGER TO SIGN THE CONTRACT ON BEHALF OF THE CITY

WHEREAS, on March 13, 2015 the Public Works Department issued Requests for Qualifications (RFQ) to five firms to provide a Statement of Qualifications (SOQ) and Business Case Analysis (BCA) for the City's water meter replacement program; and

WHEREAS, on July 21, 2015, three firms were selected to submit a formal proposal to replace the existing water system and install an Advanced Metering Infrastructure; and

WHEREAS, after interviewing each firm, Siemens Industry Inc. was determined to provide the best project and construction management services to the City for a contract amount not to exceed \$128,600.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Benicia hereby awards a contract to Siemens Industry, Inc. for a contract amount not to exceed \$128,600.

BE IT FURTHER RESOLVED THAT the City Manager is hereby authorized to sign the contract, on behalf of the City, subject to approval by the City Attorney.

BE IT FURTHER RESOLVED THAT \$128,600 shall be appropriated from Water Fund Reserves for phase 1 and 2.

On motion of _____, seconded by _____, the above Resolution was introduced and passed by the City Council of the City of Benicia at a regular meeting of said Council held on the 1st day of December, 2015, and adopted by the following vote:

Ayes:

Noes:

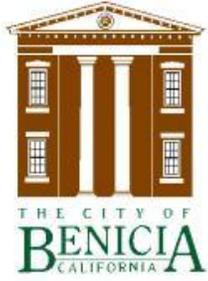
Absent:

Elizabeth Patterson, Mayor

Attest:

Lisa Wolfe, City Clerk

Date



The City of Benicia, California

Request for Qualifications and Business Case Analysis
Water Meter Improvement Program

Business Case Analysis



Presented To:

Graham Wadsworth, P.E.
Public Works Director
City of Benicia

250 East L Street
Benicia, CA 94510

April 7, 2015

SIEMENS

VIII.A.9



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1. Business Case Analysis Methodology

There are two industry standards that Siemens follows when conducting a water meter AMR/AMI conversion financial feasibility analysis. They are:

- AWWA Manual of Practice M6 – Water Meters – Selection, Installation, Testing, and Maintenance
- The International Performance Measurement and Verification Protocol (IPMVP)

1.1 AWWA Guidelines

The AWWA Manual provides guidance on how to determine if a project is economically viable by selecting a sampling methodology and following the seven steps below. Siemens follows this methodology to the letter.

1. Determine desired confidence level.
2. Determine appropriate sample lot size for the confidence level.
3. Determine criteria for testing (size, age, volume, type).
4. Randomly select and retrieve.
5. Test and document.
6. Analyze test data.
7. Report with recommendations.

The following sections explain in detail, the approach on each of the steps above.

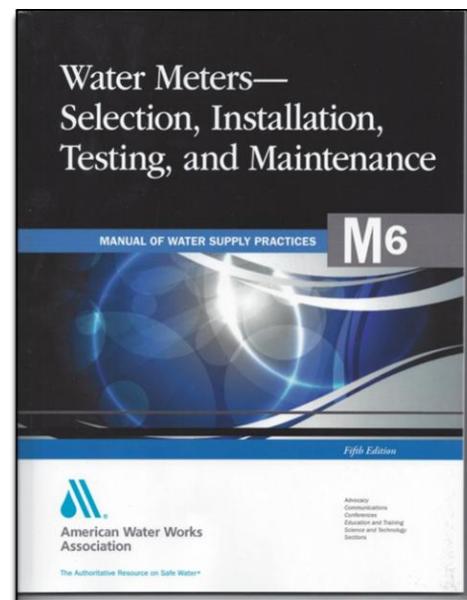
Data Extraction

Before we can begin a detailed analysis, it is critical to get a recent download of data from the billing software system. Once the data extraction files are obtained, they must be scrubbed to ensure that they are in the appropriate format for calculations, that no critical fields are blank, and there are no other issues such as duplicate accounts or the same meter serial number on multiple accounts in the database. Any problems need to be addressed before proceeding to the next step.

Siemens has worked with many of the leading billing software companies on our previous projects including:

- Incode
- SunGard
- Harris Systems
- MUNIS
- Oracle
- Green Tree
- Others

The data from the database allows the engineering team to develop the consumption baselines, develop test lists and maps, and determine the Project's scope of work. The data can often provide a history of the metering system if the installation date fields or manufacturer/serial number data is included.



Sampling Methodology

The AWWA Manual of Practice M6 titled states the following:

Determining the optimum number of years a meter should remain in service between tests is achieved by testing 5 percent of those meters next scheduled or past due for periodic testing under an existing testing schedule.

In some cases, the Cities that we work with may not have an existing testing schedule. When this is the case, we would potentially follow the IWWA standard and test 5 percent of the entire meter population. However, the Manual of Practice (MOP) also states the following:

Statistical sample testing in a meter distribution system is an alternative method for determining the optimum number of years a meter should remain in service, especially residential meters 5/8 inch through 1 inch in size. Sample testing is a cost-effective management approach to determine the variables affecting the meter performance and to monitor the overall accuracy of the metering system. Using established statistical methods, a random selection of meters determined by the year the meter was installed will provide data on the entire metering system. Weighting the statistical sample information with the system demand information determines the service-life decision.

The random statistical sampling method is the basis for our project development activities. We have expanded the sample selection sizing criteria to include the 1.5" and 2" meters, since they often have similar usage patterns as other residential/light commercial users. Once the sampling methodology is established, we begin to work through the steps in the MOP.

Step 1 – Determine Desired Confidence Level

This step is where the IPMVP Guide is used. There are industry guidelines for both pre- and post-measurements used in Performance Contracting savings calculations. The values typically used for pre-measurements are:

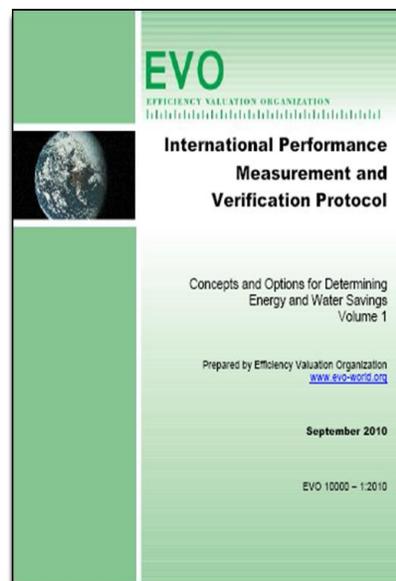
- Pre - Confidence Level = 90%
- Pre - Error Tolerance = 10%

After the Construction Phase of the project is completed, the system is set back to new conditions, so the post-measurement levels are typically:

- Post - Confidence Level = 80%
- Post - Error Tolerance = 20%

Step 2 – Determine Appropriate Sample Lot Size for the Confidence Level and Step 3 – Determine Criteria for Testing (Size, Age, Volume, Type)

Step 2 is based on the decision made for Step 3. In this case, we are using the usage pattern as the criteria for our sample. Therefore, the total lot size is the summation of the quantity of meters sized 5/8" up to 2". These counts are obtained from the billing database download and confirmed with the City before moving forward. These meters are typically used for residential and light commercial





applications and share similar usage patterns. These meters can be removed from the field and shipped to a third party testing facility, unlike the larger commercial meters that have to be field tested to determine their accuracy. For this project, the following counts would be used for the random sample size calculation, based on the information provided in the RFQ.

- Meter population included in sample selection (from database) 9,554
- % Confidence Level 90%
- % Error Tolerance 10%

Using the Random Sample Calculator (<http://www.custominsight.com/articles/random-sample-calculator.asp>), the resulting sample size should be 68 meters. The sample is then distributed over the meter sizes as follows.

Population Quantity	Description	% of Total
11	5/8" PD Meter	0.1%
8,445	3/4" PD Meter	88.4%
637	1" PD Meter	6.7%
262	1.5" PD Meter	2.7%
199	2" PD Meter	2.1%

Taking the meter quantities and calculating the percentage that they represent in the total population is shown in the table above. These same percentages are then applied to the quantity in the test sample. Since we can't test part of a meter, the number is rounded up.

% of Total	Description	Test Sample Quantity	Rounded Quantity
0.1%	5/8" PD Meter	0.1	1.0
88.4%	3/4" PD Meter	60.1	60.0
6.7%	1" PD Meter	4.5	5.0
2.7%	1.5" PD Meter	1.9	2.0
2.1%	2" PD Meter	1.4	2.0
100.0%	Total	68.0	70.0

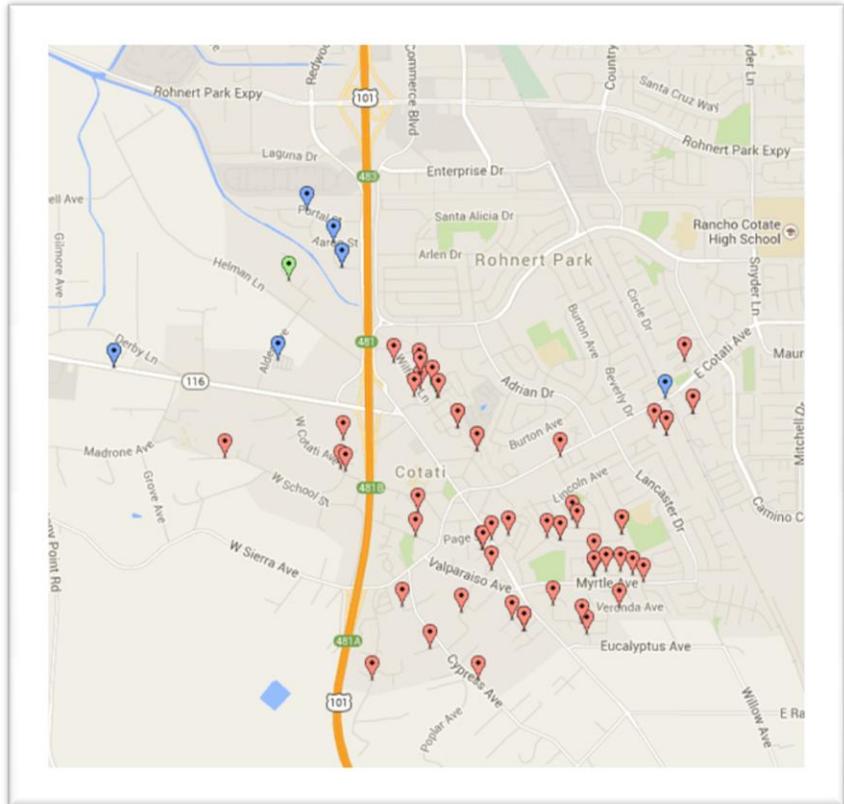
Step 4 – Randomly Select and Retrieve

Once the total number of meters to be tested is calculated based on the lot size and the desired confidence level, the random number generator tool within Microsoft Excel is used to randomly select the meters for testing. Two lists are generated:

- Main Test List
- Alternate Test List

The Main Test List consists of the targets for the random sample. However, there could be “problem meters” on the main list. If a meter listed on the Main Test List is known to be that of a property where dogs, unhappy residents, vacant facilities, or other troublesome conditions exist, a meter from the Alternate Test List is selected and pulled for testing. Both test lists are approved by the City before any meter is pulled from the ground.

A map is generated for each test list to show that the sample is truly random and covers the entire service area. A sample map is shown for a recent project in Northern California.



Step 5 – Test and Document

Once the test list is approved by the City, the meters are then pulled from the field and replaced with an approved replacement meter. The pulled meters are shipped to an independent, third-party testing lab. The meter tests are performed according to the AWWA MOP M6 testing guidelines as shown below.

The tests are performed on calibrated test benches and the results reported back to the City and Siemens.



Test Requirements for New, Rebuilt, and Repaired Cold-Water Meters*

Displacement Meters (AWWA C700 and C710)													
Size	Maximum Rate (All Meters)				Intermediate Rate (All Meters)				Minimum Rate (New and Rebuilt)				Minimum (Repaired)
	Flow Rate†	Test Quantity††	Accuracy Limits	Flow Rate**	Test Quantity††	Accuracy Limits	Flow Rate	Test Quantity††	Accuracy Limits	Flow Rate	Test Quantity††	Accuracy Limits	Accuracy Limits
<i>in.</i>	<i>gpm</i>	<i>gal</i>	<i>ft³</i>	<i>percent</i>	<i>gpm</i>	<i>gal</i>	<i>ft³</i>	<i>percent</i>	<i>gpm</i>	<i>gal</i>	<i>ft³</i>	<i>percent</i>	<i>percent (min)</i>
½	8	100	10	98.5-101.5	2	10	1	98.5-101.5	¼	10	1	95-101	90
½ × ¾	8	100	10	98.5-101.5	2	10	1	98.5-101.5	¼	10	1	95-101	90
¾	15	100	10	98.5-101.5	2	10	1	98.5-101.5	¼	10	1	95-101	90
¾ × ¾	15	100	10	98.5-101.5	2	10	1	98.5-101.5	¼	10	1	95-101	90
¾	25	100	10	98.5-101.5	3	10	1	98.5-101.5	½	10	1	95-101	90
1	40	100	10	98.5-101.5	4	10	1	98.5-101.5	¾	10	1	95-101	90
1½	50	100	10	98.5-101.5	8	100	10	98.5-101.5	1½	100	10	95-101	90
2	100	100	10	98.5-101.5	15	100	10	98.5-101.5	2	100	10	95-101	90
MultiJet Meters (AWWA C708)													
Size	Maximum Rate (All Meters)				Intermediate Rate (All Meters)				Minimum Rate (New and Rebuilt)				Minimum (Repaired)
	Flow Rate†	Test Quantity††	Accuracy Limits	Flow Rate**	Test Quantity††	Accuracy Limits	Flow Rate	Test Quantity††	Accuracy Limits	Flow Rate	Test Quantity††	Accuracy Limits	Accuracy Limits
<i>in.</i>	<i>gpm</i>	<i>gal</i>	<i>ft³</i>	<i>percent</i>	<i>gpm</i>	<i>gal</i>	<i>ft³</i>	<i>percent</i>	<i>gpm</i>	<i>gal</i>	<i>ft³</i>	<i>percent</i>	<i>percent (min)</i>
¾	15	100	10	98.5-101.5	1	10	1	98.5-101.5	¼	10	1	97-103	90
¾ × ¾	15	100	10	98.5-101.5	1	10	1	98.5-101.5	¼	10	1	97-103	90
¾	25	100	10	98.5-101.5	2	10	1	98.5-101.5	½	10	1	97-103	90
1	35	100	10	98.5-101.5	3	10	1	98.5-101.5	¾	10	1	97-103	90
1½	70	100	10	98.5-101.5	5	100	10	98.5-101.5	1½	100	10	97-103	90
2	100	100	10	98.5-101.5	8	100	10	98.5-101.5	2	100	10	97-103	90
SingleJet Meters (AWWA C712)													
Size	Maximum Rate (All Meters)				Intermediate Rate (All Meters)				Minimum Rate (New and Rebuilt)				Minimum (Repaired)
	Flow Rate†	Test Quantity††	Accuracy Limits	Flow Rate**	Test Quantity††	Accuracy Limits	Flow Rate	Test Quantity††	Accuracy Limits	Flow Rate	Test Quantity††	Accuracy Limits	Accuracy Limits
<i>in.</i>	<i>gpm</i>	<i>gal</i>	<i>ft³</i>	<i>percent</i>	<i>gpm</i>	<i>gal</i>	<i>ft³</i>	<i>percent</i>	<i>gpm</i>	<i>gal</i>	<i>ft³</i>	<i>percent</i>	<i>percent (min)</i>
¾	15	100	10	98.5-101.5	2	10	1	98.5-101.5	¼	10	1	95-101.5	90
¾ × ¾	15	100	10	98.5-101.5	2	10	1	98.5-101.5	¼	10	1	95-101.5	90
¾	25	100	10	98.5-101.5	3	10	1	98.5-101.5	½	10	1	95-101.5	90
1	40	100	10	98.5-101.5	4	10	1	98.5-101.5	¾	10	1	95-101.5	90
1½	50	100	10	98.5-101.5	8	100	10	98.5-101.5	½	100	10	95-101.5	90
2	100	100	10	98.5-101.5	15	100	10	98.5-101.5	½	100	10	95-101.5	90
3	180	500	50	98.5-101.5	20	100	10	98.5-101.5	½	100	10	95-101.5	90
4	250	500	50	98.5-101.5	40	100	10	98.5-101.5	¾	100	10	95-101.5	90
6	500	1,000	100	98.5-101.5	80	100	10	98.5-101.5	1½	100	10	95-101.5	90
Fluidic-Oscillator Meters (AWWA C713)													
Size	Maximum Rate (All Meters)				Intermediate Rate (All Meters)				Minimum Rate (New and Rebuilt)				Minimum (Repaired)
	Flow Rate†	Test Quantity††	Accuracy Limits	Flow Rate**	Test Quantity††	Accuracy Limits	Flow Rate	Test Quantity††	Accuracy Limits	Flow Rate	Test Quantity††	Accuracy Limits	Accuracy Limits
<i>in.</i>	<i>gpm</i>	<i>gal</i>	<i>ft³</i>	<i>percent</i>	<i>gpm</i>	<i>gal</i>	<i>ft³</i>	<i>percent</i>	<i>gpm</i>	<i>gal</i>	<i>ft³</i>	<i>percent</i>	<i>percent (min)</i>
½	8	100	10	98.5-101.5	2	10	1	98.5-101.5	¼	10	1	95-101	90
½ × ¾	8	100	10	98.5-101.5	2	10	1	98.5-101.5	¼	10	1	95-101	90
¾	15	100	10	98.5-101.5	2	10	1	98.5-101.5	¼	10	1	95-101	90
¾ × ¾	15	100	10	98.5-101.5	2	10	1	98.5-101.5	¼	10	1	95-101	90



Step 6 – Analyze Test Data

For this sample of meters we calculate the average weighted accuracy using the AWWA MOP M6 guideline. The formulation for that testing is as follows:

For a true test of a water meter at all flow rates, AWWA standards recommend first testing low, medium, and high flow rates and then calculating the aggregate meter efficiency by weighted formula. The three test points (High, Medium, and Low flow) are weighted 15%, 70%, and 15%. The formula for meter accuracy is as follow:

$$\begin{aligned}
 & (15\% \times \text{Measured Efficiency @ High flow}) \\
 & + (70\% \times \text{Measured Efficiency @ Medium flow}) \\
 & + (15\% \times \text{Measured Efficiency @ Low flow}) \\
 & \text{Average Weighted Efficiency of the Meter*} \\
 & (*\text{reference: AWWA Meter Manual M6, Fifth Edition; pg 54, "Meter Testing"})
 \end{aligned}$$

Step 7 – Report with Recommendations

This step takes more time and there are other factors to take into consideration. For example, the tests mentioned above only include the residential application meters that are 2” and smaller. We still need to collect data on the meters 3” and larger.

The third list that is generated from the data extraction file is the large meter survey list. The larger commercial meters need to be inspected to determine if they meet the requirements for field testing. The data in the table is collected for each meter during the large meter survey and included as part of the audit report for the City.

Once the large meter survey is completed, the large meter testing must be scheduled with an independent, third-party testing company and the individual businesses that will be impacted during the testing process are notified. The tests are

Size	Actual Size of Meter as Observed in the Field
Type	Turbine, Compound, Fire Service, etc.
MFG	Meter Manufacturer
Flg or Thr	Flanged or Threaded Meter Connections
Box Cond	Box Condition (Good or Bad)
Test Port	Does Meter Have Test Port?
Sep Strainer	Does Meter Have a Strainer?
Inlet Valve	Does Meter Have an Inlet Valve?
Outlet Valve	Does Meter Have an Outlet Valve?
Bypass	Does Meter Have a Bypass?
# Registers	Number of Registers on Meter
Touch Rd	Is the Meter Touch Read?
Transmitter	Does Meter Have a Transmitter?
Indoor/Outdoor	Is the Outdoor or Indoor?
Has Wires	Does Meter Have Wires on Register?
Length	Meter Lay Length
Pic #	Picture # for Identification
Link	Picture Link for Identification (used to Hyperlink pictures with accounts)
Notes	Note Section

performed with calibrated field testing equipment and the results reported back to the City and Siemens. For this sample of meters, we calculate the average weighted accuracy using the AWWA MOP M6 guideline. The formulation for that testing is as follows:



For compound and fire-service meters, the normal test-flow-percent accuracy should be one third of the algebraic sum of the accuracy results at the maximum test-flow rate of the main line meter and the maximum and intermediate test-flow rates of the bypass meter.

The meter tests are performed according to the AWWA MOP M6 testing guidelines shown below.

All of the data collected at this point is then used to generate the revenue recovery portion of the Business Case Analysis.

Test Requirements for New, Rebuilt, and Repaired Cold-Water Meters* (continued)

Propeller Meters (AWWA C704)												
42	28,000	40,000	5,000	98-102				2,000	10,000	1,300	98-102	90
48	35,000	50,000	6,000	98-102				2,500	12,500	1,500	98-102	90
54	45,000	60,000	8,000	98-102				3,200	16,000	2,000	98-102	90
60	60,000	70,000	9,000	98-102				4,000	20,000	2,500	98-102	90
66	75,000	80,000	11,000	98-102				4,750	25,000	3,000	98-102	90
72	90,000	90,000	12,000	98-102				5,500	23,000	3,500	98-102	90

Compound Meters (AWWA C702)§														
Size	Maximum Rate (All Meters)				Change Over Point (All Meters)				Minimum Rate (New and Rebuilt)				Minimum (Repaired)	
	Flow	Test	Accuracy Limits		Flow	Test	Accuracy	Flow	Test	Accuracy	Accuracy	Limits		
	Rate†	Quantity††	percent		Rate**	Quantity††	Limits	Rate	Quantity††	Limits	Limits			
in.	gpm	gal	ft³	percent		gpm	gal	ft³	percent	gpm	gal	ft³	percent	(min)
				Class I	Class II									
2	120	400	50	97-103	98.5-101.5					90-103			95-101	90
3	320	1,000	100	97-103	98.5-101.5					90-103			95-101	90
4	500	1,500	200	97-103	98.5-101.5					90-103			95-101	90
6	1,000	3,000	400	97-103	98.5-101.5					90-103			95-101	90
8	1,600	4,000	500	97-103	98.5-101.5					90-103			95-101	90
10	2,300	4,000	500	97-103	98.5-101.5					90-103			95-101	90

Fire-Service Type, Type I and Type II (AWWA C703) (Test at intermediate rate not necessary.)§														
Size	Maximum Rate (All Meters)				Change Over Point (All Meters)				Minimum Rate (New and Rebuilt)				Minimum (Repaired)	
	Flow	Test	Accuracy Limits		Flow	Test	Accuracy	Flow	Test	Accuracy	Accuracy	Limits		
	Rate†	Quantity††	percent		Rate**	Quantity††	Limits	Rate	Quantity††	Limits	Limits			
in.	gpm	gal	ft³	percent		gpm	gal	ft³	percent	gpm	gal	ft³	percent	(min)
				Type I	Type II									
3	350	700	100	97-103	98.5-101.5									90
4	700	1,500	200	97-103	98.5-101.5									90
6	1,600	3,000	400	97-103	98.5-101.5					Not less than 85%			Not less than 95%	90
8	2,800	5,000	700	97-103	98.5-101.5									90
10	4,400	9,000	1,200	97-103	98.5-101.5									90

Fire Service Type, Type III (AWWA C703)														
Size	Maximum Rate (All Meters)				Intermediate Rate (All Meters)				Minimum Rate (New and Rebuilt)				Minimum (Repaired)	
	Flow	Test	Accuracy Limits		Flow	Test	Accuracy	Flow	Test	Accuracy	Accuracy	Limits		
	Rate†	Quantity††	percent		Rate**	Quantity††	Limits	Rate	Quantity††	Limits	Limits			
in.	gpm	gal	ft³	percent		gpm	gal	ft³	percent	gpm	gal	ft³	percent	(min)
3	350	700	100	98.5-101.5				10	100	10	95-101.5			—
4	700	1,500	200	98.5-101.5				30	500	50	95-101.5			—
6	1,600	3,000	400	98.5-101.5				60	1000	100	95-101.5			—
8	2,800	5,000	700	98.5-101.5				70	1000	100	95-101.5			—
10	4,400	9,000	1,200	98.5-101.5				110	1000	100	95-101.5			—



2. Business Case Analysis Calculations

If the results of the meter testing show an under-reporting of flow measurements then the City is losing revenue. In order to determine how much the City is losing, Siemens uses the data gathered and, following the AWWA and IPMVP guidelines together with the pre- and post- condition models, projects revenue recovery calculations, include the following parameters:

- Existing Meter Accuracy
- Proposed Meter Accuracy
- Existing Consumption Baseline
- Current Utility Rates
- Escalation Rates
- Operational Savings
- Capital Cost Avoidance

Each of these parameters are discussed below and all assumptions to develop the City of Benicia Business Case Analysis are provided.

2.1 Existing Meter Accuracy

For this calculation, the database was not available and testing is not being performed as part of this RFQ process. Therefore, the Siemens team used test results from a water meter change out project we performed for a city within 30 miles of Benicia. The test results for the neighboring city came back at an average existing accuracy of 88.4% for the residential meters. For this analysis, **we assumed a more conservative** existing accuracy value. The existing accuracies used in this business case analysis are:

Item	Description	Baseline
1	Water - Residential	90.00%
2	Water - Multi-Family	90.00%
3	Water - Commercial/Industrial	94.00%
4	Water - Heavy Industrial	94.00%
5	Water - Landscape Irrigation	94.00%
6	Water - Other	94.00%

For this analysis it is assumed that these accuracies will degrade over time at a rate of 0.5%, which is consistent with AWWA published reports.

2.2 Proposed Meter Accuracy

The Proposed Accuracy is the accuracy that would be guaranteed by Siemens under a Performance Contract. This guarantee goes beyond what a meter manufacturer will guarantee (replacement of a meter that does not hold its accuracy). A Performance Guarantee provides protection for the City's revenue in the event that the meters do not hold their accuracy. This is a very important distinction and one the City must consider in its selection of a partner for its Water Meter Improvement Program. The proposed accuracy is based on the type of meter being recommended and the AWWA Guideline accuracy requirement for meter sizes and types. For this analysis, the proposed accuracies are as follows:

Item	Description	Baseline
1	Water - Residential	98.50%
2	Water - Multi-Family	98.50%
3	Water - Commercial/Industrial	98.50%
4	Water - Heavy Industrial	98.50%
5	Water - Landscape Irrigation	98.50%
6	Water - Other	98.50%

The proposed meters to be installed have no mechanical moving parts that cause accuracy degradation so the proposed meter accuracy would remain at 98.5% for the duration of the contract.

2.3 Existing Consumption Baseline

The baseline consumption data would typically be generated using multiple years of data from the billing database and would be broken down by rate code and size. The test results would then be applied to the associated sizes in the revenue calculations. For example, for a 5/8" meter in the residential rate code, the results from the test lab for the 5/8" meter would be used in that revenue increase calculation. The baselines used in this analysis are for entire rate code categories and are not broken down by size. The Five-Year FY Average Usage and Percentage by Customer Type table, provided by the City of Benicia, shows the data used in this analysis.

Customer Description	Totals (MG)	% of Use
Residential	916.16	63.6%
Multi-Residential	156.93	10.9%
Commercial/Institutional	135.93	9.4%
Heavy Industrial	30.11	2.1%
Landscape Irrigation	197.89	13.7%
Other	4.23	0.3%
Grand Total (MG)	1441.24	100.0%

The values above are in million gallons. The rate codes provided by the City are in units of Hundred Cubic Feet (HCF). Therefore the above values have been converted to HCF as detailed below:

The values above are in million gallons. The rate codes provided by the City are in units of Hundred Cubic Feet (HCF). Therefore the above values have been converted to HCF as detailed below:

Customer Description	Totals (MG)	% of Use	kGals	HCF Conversion	HCF
Residential	916.16	63.6%	916,160	0.748	685,288
Multi-Residential	156.93	10.9%	156,930	0.748	117,384
Commercial/Industrial	135.93	9.4%	135,930	0.748	101,676
Heavy Industrial	30.11	2.1%	30,110	0.748	22,522
Landscape Irrigation	197.89	13.7%	197,890	0.748	148,022
Other	4.23	0.3%	4,230	0.748	3,164
Totals	1,441.25	100%	1,441,250		1,078,055

2.4 Current Utility Rates

The utility rates for the customer categories provided by the City are tiered as follows:

1. For service to residential users:

Service Charge (per unit, per month)	1/17/13 – 12/31/13	1/1/14 – 12/31/14	1/1/15 – 12/31/15	1/1/16 – 12/31/16	1/1/17 – 12/31/17
Single-family dwelling	\$14.77	\$16.68	\$18.60	\$19.86	\$20.56
Multifamily dwelling	\$11.09	\$12.52	\$13.96	\$14.91	\$15.43

Plus:

Volume Charge (per unit, per month)	1/17/13 – 12/31/13	1/1/14 – 12/31/14	1/1/15 – 12/31/15	1/1/16 – 12/31/16	1/1/17 – 12/31/17
0 – 8 hcf	\$1.46	\$1.65	\$1.84	\$1.97	\$2.04
8 – 30 hcf	\$2.30	\$2.60	\$2.90	\$3.10	\$3.21
Over 30 hcf	\$2.46	\$2.78	\$3.10	\$3.31	\$3.43
hcf = hundred cubic feet					

2. For service to users other than residential users:

Monthly Service Charge (per meter)	1/17/13 – 12/31/13	1/1/14 – 12/31/14	1/1/15 – 12/31/15	1/1/16 – 12/31/16	1/1/17 – 12/31/17
5/8- or 3/4-inch	\$19.08	\$21.54	\$24.02	\$25.65	\$26.55
1-inch	\$33.90	\$38.27	\$42.67	\$45.57	\$47.16
1-1/2-inch	\$76.24	\$86.07	\$95.97	\$102.50	\$106.09
2-inch	\$135.50	\$152.98	\$170.57	\$182.17	\$188.55
3-inch	\$304.85	\$344.18	\$383.76	\$409.86	\$424.21
4-inch	\$541.93	\$611.84	\$682.20	\$728.59	\$754.09
6-inch	\$1,219.32	\$1,376.61	\$1,534.92	\$1,639.29	\$1,696.67

Plus:

Volume Charge (per unit, per month)	1/17/13 – 12/31/13	1/1/14 – 12/31/14	1/1/15 – 12/31/15	1/1/16 – 12/31/16	1/1/17 – 12/31/17
0 – 30 hcf	\$1.99	\$2.25	\$2.51	\$2.68	\$2.77
Over 30 hcf	\$2.33	\$2.63	\$2.93	\$3.13	\$3.24
hcf = hundred cubic feet					



Consumption data provided was not broken into tiers so a conservative approach was used to develop an average rate per customer category, and is detailed as follows:

- Total Consumption for the “Residential” User Category = 685,288 HCF
- Total Number of Residential Users from Table 3 below = 8,386
- Average Residential Usage = 685,288 HCF / 8,386 Users = 81.72 HCF

Meter Type, Size, and Count

Meter Size (in)	Category ⁵ – Type and Count of Meter Size											
	C	GW	IM	IN	IR	MB	MF	MU	R	UT	VA	Grand Total
	2				1		2	1			1	7
1	91		20	21	56	3	64	6	376			637
1.5	89		15	14	49	5	84	2	4			262
2	48		26	10	40		64	11				199
3	10		6	3	4		2	1				26
3/4	245	1	13	26	55	5	85	10	7996	2		8438
4			1		1			1				3
5/8							1		10			11
6	1						1					2
Grand Total	486	1	81	74	206	13	303	32	8386	2	1	9585

Taking the average usage for this classification and spreading it over the tiers we obtain the following:

Residential Average Usage	81.72	HCF	Rate	Bill
	8	Tier 1	\$ 1.84	\$ 14.72
	22	Tier 2	\$ 2.90	\$ 63.80
	51.72	Tier 3	\$ 3.10	\$ 160.33
				\$ 238.85
Average Rate			\$ 2.92	

Using this same methodology for the other rate classifications we have the following:

Multi-Family Average Usage	387.40	HCF	Rate	Bill
	8	Tier 1	\$ 1.84	\$ 14.72
	22	Tier 2	\$ 2.90	\$ 63.80
	357.40	Tier 3	\$ 3.10	\$ 1,107.95
				\$ 1,186.47
Average Rate			\$ 3.06	



Commercial/Industrial	209.21	HCF	Rate	Bill
	30	Tier 1	\$ 2.51	\$ 75.30
	179.21	Tier 2	\$ 2.93	\$ 525.08
				\$ 600.38
Average Rate			\$ 2.87	

Heavy Industrial	304.36	HCF	Rate	Bill
	30	Tier 1	\$ 2.51	\$ 75.30
	274.36	Tier 2	\$ 2.93	\$ 803.86
				\$ 879.16
Average Rate			\$ 2.89	

Irrigation	515.76	HCF	Rate	Bill
	30	Tier 1	\$ 2.51	\$ 75.30
	485.76	Tier 2	\$ 2.93	\$ 1,423.26
				\$ 1,498.56
Average Rate			\$ 2.91	

Other	64.57	HCF	Rate	Bill
	30	Tier 1	\$ 2.51	\$ 75.30
	34.57	Tier 2	\$ 2.93	\$ 101.30
				\$ 176.60
Average Rate			\$ 2.73	

These average rates are used in the revenue increase calculations for Year 1. These values are escalated at 3% per year for the contract term. The calculations for Year 1 are shown below:



Year 1 - Annual Revenue Calculations

Item	Description	Existing Consumption at 100% Accuracy (HCF)	Existing Meter Accuracy %	Existing Consumption (HCF)	New Meter Accuracy %	Consumption Billed with New Meters (HCF)	Annual Consumption Increase (HCF)	Annual Consumption Increase (\$)
1	Water - Residential	761,431	90.00%	685,288	98.50%	750,009	64,722	\$188,339.90
2	Water - Multi-Family	130,426	90.00%	117,384	98.50%	128,470	11,086	\$43,347.17
3	Water - Commercial/Industrial	108,166	94.00%	101,676	98.50%	106,543	4,867	\$23,899.18
4	Water - Heavy Industrial	23,960	94.00%	22,522	98.50%	23,600	1,078	\$6,372.13
5	Water - Landscape Irrigation	157,470	94.00%	148,022	98.50%	155,108	7,086	\$48,965.27
6	Water - Other	3,366	94.00%	3,164	98.50%	3,316	151	\$1,198.13
Totals		1,184,818		1,078,055		1,167,046	88,991	\$312,121.78

The increase in the consumption is calculated as follows:

Actual Flow through Meter (HCF) = Baseline Consumption (HCF) ÷ Existing Meter Accuracy (%)

Example - Year 1 – Water - Residential

- Baseline Consumption (HCF) = 685,288 HCF
- Existing Meter Accuracy (%) = 90.00%
- Actual Flow through Meter (kgals) = 685,288 / 90.00%
= 761,431 HCF

Consumption Billed with New Meters (HCF) = Actual Flow through Meter (HCF) × New Meter Accuracy (%)

Example - Year 1 – Water – Residential

- Actual Flow through Meters (HCF) = 761,431HCF
- New Meter Accuracy (%) = 98.5%
- Consumption Billed with New Meters (HCF) = 761,431 x 98.5%
= 750,009 HCF

Annual Consumption Increase (HCF) = Consumption Billed with New Meters (HCF) – Baseline Consumption (HCF)

Example - Year 1 – Water – Residential

- Consumption Billed with New Meters (HCF) = 750,009 HCF
- Baseline Consumption (HCF) = 685,288 HCF
- Annual Consumption Increase (HCF) = 750,009 – 685,288 HCF
= 64,722 HCF



A summary table of the annual consumption increase in HCF is shown below.

Year	Annual Consumption Increase (HCF)
1	88,991
2	94,915
3	100,839
4	106,763
5	112,687
6	118,612
7	124,536
8	130,460
9	136,384
10	142,308
11	148,232
12	154,156
13	160,080
14	166,004
15	171,928
Totals	1,956,896

In order to calculate the additional revenue that will be generated by the City, the Annual Consumption Increase is multiplied by the appropriate rate structure for the given meter classification. The water rates used in this analysis were provided above.

The following formula is used to calculate the annual consumption increase:

- Annual Consumption Increase (\$) = Annual Consumption Increase (HCF) × Water Rate (\$/HCF)

The following table shows the results of this calculation:

Year	Annual Consumption Increase \$
1	\$312,121.78
2	\$344,728.25
3	\$379,010.19
4	\$415,038.80
5	\$452,888.02
6	\$492,634.66
7	\$534,358.49
8	\$578,142.38

Year	Annual Consumption Increase \$
9	\$624,072.39
10	\$672,237.86
11	\$722,731.60
12	\$775,649.95
13	\$831,092.94
14	\$889,164.43
15	\$949,972.22
Totals	\$8,973,843.96

2.5 Additional Savings

Siemens will work with the City of Benicia to determine additional savings from a reduction in operational and maintenance costs the City incurs from meter reads, re-reads, turning on/off of services, maintenance and billing dispute resolution, and vehicle expenses. For the purposes of this BCA, the following was assumed based on information from the City’s Request for Statement of Qualification and Addendums 1 and 2:

Description	Quantity	Per Unit	Total
Re-reads per Month	100	\$25/re-read	\$30,000
Meter repairs, shut offs per month* 30	\$20.85	\$ 7,500	
Vehicle Gas/Maintenance Expenses (miles/month)*	65	\$1.50/mile	\$ 1,170
Total			\$38,670

*It is assumed that the new AMR/AMI system has reduced these quantities by half.

Please note: We did not include any assumptions about down-sizing the head count of the City’s personnel. Our customers typically are short-staffed throughout the Public Works Department and choose to re-assign meter reading staff to other roles. This may result in lower personnel costs for the Water Enterprise Fund, but not lower overall personnel cost for the total public works budget.

We look forward to the opportunity to work with the City to establish additional savings calculations that reflect the City’s actual budget allocations and related savings in order to build a more accurate Business Case.

2.6 Capital Cost Avoidance

Capital Cost Avoidance savings used in the BCA are averaged based on the number of meter change outs during the City’s most recent 10 years.

The Annual Consumption Increase, Operational Savings and Capital Cost Avoidance dollars are escalated annually using the Consumer Price Index value of 3% per year.

2.7 Economic Feasibility

In a typical project, our customers want to recover the costs of the entire project via revenue recovery and operational savings. Some of our customers have capital improvement funds, or forecasted/budgeted future funds that they commit to the project that positively affect the cash-flow model.

For the purpose of this conservative Business Case Analysis, Siemens assumes:

Financing Assumptions

- The City has no capital funds to attribute to the project costs so 100% of the project cost will be financed.
- No future commitments of capital funds are made toward debt service.
- The City would use a Tax-Exempt Municipal Lease Purchase Agreement with a 15-year term.
- We know that the City of Benicia has an “A” credit rating, so we assumed a 3% interest rate for the lease.

Material, Installation and Performance Guarantee Assumptions

- We assumed that the City wants to adopt a fixed-base, Advanced Meter Infrastructure (AMI) solution.
- While we were made aware of the brands of meters that the City has purchased historically, we do not know the City’s preferred meter manufacturer for this project. Therefore, we used an “average” meter cost.
- We assumed that the AMI signal coverage for your area was typical of other projects of similar geographic size, meter counts, and topographic characteristics, so AMI collector and repeater costs are estimated using our database of historical hardware and software needs and the related professional services required for data management of billing system integration.
- Siemens has performed a Water Meter Improvement Project in Solano County and is about to enter into the Construction Phase of a Water Meter Improvement Project in Sonoma County. We used the Solano County prevailing wage rate schedule for labor.
- We assumed that the City of Benicia would enter into a Performance Guarantee with annual Measurement performed and Verification reported and that this Guarantee would be in place for the duration of the financing term.
- We assumed that the City of Benicia values the benefits of a high-quality team that provides excellent customer service and a firm-fixed, guaranteed Project cost rather than dealing with the problems that other local cities have experienced when they have engaged with low bid contractors that result in projects that experience delays, errors, and change orders.

Disclaimer: The pricing presented in this RFQ response is preliminary and based on assumptions / estimates and historical market data. The final pricing and revenue recovery calculations will depend on the results of an investment grade assessment process. Accordingly, Siemens reserves it right to amend all of its pricing and calculations through the completion of that Process.



Cashflow Analysis

SIEMENS

		Job Name			Finance Period			Interest Rate					
		Benicia, CA			15			3.00%					
Annual Savings \$					Cash Flow \$								
Year	Annual Consumption Increase \$	Annual Operational Savings \$	Capital Cost Avoidance \$	Annual Program Benefits \$	Principal & Interest \$	Annual Measurement & Verification \$	Data Hosting Fee	Total Program Costs \$	Annual Contributions \$	Annual Net Cashflow \$	Cumulative Net Cashflow \$		
1	\$ 312,121.78	\$ 38,674.62	\$ 52,700.00	\$ 403,496.39	\$ 358,342.56	\$ 21,153.85	\$ 24,000.00	\$ 403,496.41	\$ -	\$ (0)	\$ (0)		
2	\$ 344,728.25	\$ 39,834.85	\$ 54,281.00	\$ 438,844.10	\$ 392,335.64	\$ 21,788.46	\$ 24,720.00	\$ 438,844.10	\$ -	\$ (0)	\$ (0)		
3	\$ 379,010.19	\$ 41,029.90	\$ 55,909.43	\$ 475,949.52	\$ 428,045.80	\$ 22,442.12	\$ 25,461.60	\$ 475,949.52	\$ -	\$ 0	\$ (0)		
4	\$ 415,038.80	\$ 42,260.80	\$ 57,586.71	\$ 514,886.31	\$ 465,545.48	\$ 23,115.38	\$ 26,225.45	\$ 514,886.31	\$ -	\$ 0	\$ (0)		
5	\$ 452,888.02	\$ 43,528.62	\$ 59,314.31	\$ 555,730.96	\$ 504,909.92	\$ 23,808.84	\$ 27,012.21	\$ 555,730.97	\$ -	\$ (0)	\$ (0)		
6	\$ 492,634.66	\$ 44,834.48	\$ 61,093.74	\$ 598,562.88	\$ 546,217.20	\$ 24,523.11	\$ 27,822.58	\$ 598,562.88	\$ -	\$ (0)	\$ (0)		
7	\$ 534,358.49	\$ 46,179.51	\$ 62,926.56	\$ 643,464.56	\$ 589,548.52	\$ 25,258.80	\$ 28,657.26	\$ 643,464.57	\$ -	\$ (0)	\$ (0)		
8	\$ 578,142.38	\$ 47,564.90	\$ 64,814.35	\$ 690,521.63	\$ 634,988.08	\$ 26,016.56	\$ 29,516.97	\$ 690,521.62	\$ -	\$ 0	\$ (0)		
9	\$ 624,072.39	\$ 48,991.85	\$ 66,758.78	\$ 739,823.01	\$ 682,623.48	\$ 26,797.06	\$ 30,402.48	\$ 739,823.02	\$ -	\$ (0)	\$ (0)		
10	\$ 672,237.86	\$ 50,461.60	\$ 68,761.55	\$ 791,461.01	\$ 732,545.48	\$ 27,600.97	\$ 31,314.56	\$ 791,461.01	\$ -	\$ 0	\$ (0)		
11	\$ 722,731.60	\$ 51,975.45	\$ 70,824.39	\$ 845,531.44	\$ 784,848.44	\$ 28,429.00	\$ 32,253.99	\$ 845,531.43	\$ -	\$ 0	\$ (0)		
12	\$ 775,649.95	\$ 53,534.71	\$ 72,949.12	\$ 902,133.79	\$ 839,630.32	\$ 29,281.87	\$ 33,221.61	\$ 902,133.80	\$ -	\$ (0)	\$ (0)		
13	\$ 831,092.94	\$ 55,140.75	\$ 75,137.60	\$ 961,371.29	\$ 896,992.72	\$ 30,160.33	\$ 34,218.26	\$ 961,371.31	\$ -	\$ (0)	\$ (0)		
14	\$ 889,164.43	\$ 56,794.98	\$ 77,391.73	\$ 1,023,351.13	\$ 368,807.34	\$ 31,065.14	\$ 35,244.81	\$ 435,117.29	\$ -	\$ 588,234	\$ 588,234		
15	\$ 949,972.22	\$ 58,498.83	\$ 79,713.48	\$ 1,088,184.52	\$ -	\$ 31,997.09	\$ 36,302.15	\$ 68,299.24	\$ -	\$ 1,019,885	\$ 1,608,119		
TOTALS	\$ 8,973,843.96	\$ 719,305.84	\$ 980,162.76	\$ 10,673,312.56	\$8,225,380.98	\$ 393,438.56	\$ 446,373.93	\$ 9,065,193.48	\$ -	\$ 1,608,119	\$ 1,608,119		

The contents of this workbook are proprietary and confidential to SIEMENS INDUSTRY, INC. It is used to evaluate the feasibility of a comprehensive automatic meter reading program. All information contained herein is deemed CONFIDENTIAL AND PROPRIETARY and is not to be copied, disseminated, or used by any non SIEMENS INDUSTRY INC employees for any purpose other than the evaluation of this opportunity.

Material escalation 3.00%

**AGREEMENT FOR PURCHASE AND INSTALLATION OF WATER METERS AND
ADVANCED METERING INFRASTRUCTURE SYSTEM AND RELATED SERVICES**

THIS AGREEMENT is made and entered into this ____ day of _____ 2015, by and between the CITY OF BENICIA, a municipal corporation existing under the laws of the State of California, hereinafter referred to as "City," and Siemens Industry, Inc., a Delaware corporation, hereinafter referred to as "Contractor."

RECITALS

WHEREAS, the City desires to acquire and have installed complete replacement of residential, commercial, and industrial water meters and a fully operational, advanced metering infrastructure system, including hardware and software, and procure certain services in connection with the system, which work is known as the City of Benicia Water Meter Replacement & Advanced Metering Infrastructure Improvement Project (the "Project"), as more specifically set forth in this Agreement;

WHEREAS, Contractor desires to perform and assume responsibility for the development and implementation of the Project and related services required by the City on the terms and conditions set forth in this Agreement. Contractor represents that it is experienced in water meter replacement projects; Advanced Metering Infrastructure (AMI) installation; software and services to public clients; and is familiar with the plans of the City with respect to the Project, as defined below.

WHEREAS, the City desires to engage Contractor for such work in connection with the Project as set forth in this Agreement.

NOW, THEREFORE, City and Contractor agree as follows:

1. SCOPE OF SERVICES AND TERM.

1.1 **Scope of Work.** Contractor promises and agrees to furnish to City all hardware, software, equipment, labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately perform the Project ("Work"). The Work is more particularly described in **Exhibit A**. The Work shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state, and federal laws, rules, and regulations. In the event of a conflict between a provision in this Agreement and a provision in Exhibit A or in any other exhibit to this Agreement, the provision in this Agreement shall control.

1.2 **Phases of the Work.** The Work under this Agreement shall consist of three phases: Phase I – Project Development – includes the Work described in Exhibit A, Tasks 1; Phase II – Investment Grade Audit – includes the Work described in Exhibit A, Tasks 2; Phase III – Project Implementation – includes the Work described in Exhibit A, Tasks 3 through 7.

1.3 **Notice To Proceed with Each Phase.** Upon execution of this Agreement, the City will issue to Contractor a Notice To Proceed with Phase I Work. Upon the conclusion of Phase I Work, Contractor will present to the City its preliminary findings, and the City, in its reasonable discretion, will then determine whether to issue to Contractor a Notice To Proceed with Phase II Work. Upon the conclusion of Phase II Work, Contractor will present to the City its findings, including its estimate of the life cycle capital and Project savings and of the cost of the Project. If the City, in its reasonable discretion, decides to proceed with Phase III Work, then the parties will enter into an amendment to this Agreement ("Phase III Amendment") which will include the price for Phase III Work and any other supplemental terms and conditions on which the parties, negotiating in good faith, may agree. After the execution of the Phase III Amendment, the City will give Contractor a Notice To Proceed with Phase III Work. All Notices To Proceed referenced in this section will be issued by the City in writing.

1.4 **Facilities, Equipment, and Other Materials.** Contractor shall, at its sole cost and expense, furnish all facilities, tools, equipment, and other materials necessary for performing the Work pursuant to this Agreement.

1.5 **Schedule of Work.** Contractor shall perform the Work expeditiously and in accordance with the Schedule of Work set forth in Appendix A and any updates to the Schedule of Work approved by the City. Time is of the essence in the performance of this Agreement. Contractor's failure to perform any Work required under this Agreement within the time limits set forth in Exhibit A shall constitute a material breach of this Agreement.

1.6 **Term.** The term of this Agreement shall begin on the date the City Council approves this Agreement and shall expire upon completion of the Services or when terminated as provided in Article 7.

2. PROJECT FINANCING

2.1 **Financing.** The implementation of this project is completely dependent on the City's ability to secure desirable financing for all phases of the Project. It will be the Contractor's responsibility to assist the City in determining the most fiscally responsible means of financing the Project (grants, loans, performance-based contract, etc...). Financing shall only cover capital improvements (meter replacement, AMI system). It is the City's desire that all of the annual cost savings from this project will exceed the annual principal and interest payments. However, the City is open to alternative financing options if demonstrated as advantageous.

3. PROJECT COORDINATION.

3.1 **City's Representative.** The City hereby designates the City Manager to act as its representative for the performance of this Agreement. The City Manager shall have the power to act on behalf of the City for all purposes under this Agreement. The City Manager hereby designates the Water Treatment Plant Superintendent as the "Project Liaison," who shall coordinate the progress and performance of this Agreement.

3.2 **Contractor's Representative.** Contractor hereby designates Stephen Reese to act as its representative for the performance of this Agreement ("Contractor's Representative"). Contractor's Representative shall have full authority to represent and act on behalf of Contractor for all purposes under this Agreement. The Contractor's Representative shall supervise and direct the Services under this Agreement, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences, and procedures and for the satisfactory coordination of all portions of the Work to be performed under this Agreement.

3.2.1 Should the Contractor's Representative need to be substituted for any reason, the proposed new Contractor's Representative shall be subject to the prior written acceptance and approval of the City. The Contractor shall not assign any representative to whom the City has a reasonable objection.

3.3 **Coordination of Work.** Contractor agrees to work closely with City staff in the performance of the Work and shall be available to City staff at all reasonable times.

4. RESPONSIBILITIES OF CONTRACTOR.

4.1 **Independent Contractor.** The City retains Contractor on an independent contractor basis and not as an employee. Contractor retains the right to perform similar or different services for others during the term of this Agreement. Nor shall any additional personnel performing the Services under this Agreement on behalf of Contractor be employees of the City; such personnel shall at all times be under Contractor's exclusive direction and control. Contractor shall be entitled to no other benefits or compensation except as provided in this Agreement.

4.2 **Control and Payment of Subordinates.** The Work shall be performed by Contractor or under its supervision. Contractor will determine the means, methods, and details of performing the Services subject to the requirements of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Contractor shall at all times be under Contractor's exclusive direction and control. Contractor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance. Contractor shall be solely responsible and save City harmless from all matters relative to payment of his/her/its employees including compliance with Social Security, withholding, etc.

4.3 **Conformance to Applicable Requirements.** All services performed by Contractor shall be subject to the City's review and approval. Contractor shall furnish the City with every reasonable opportunity to determine that Contractor's services are being performed in accordance with this Agreement. The City's review of Contractor's services shall not relieve Contractor of any of its obligations to fulfill this Agreement as prescribed.

4.4 **Substitution of Key Personnel.** Contractor has represented to the City that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Contractor may substitute other personnel of at least equal competence upon the City's written approval. In the event that the City and Contractor cannot agree

as to the substitution of key personnel, the City shall be entitled to terminate this Agreement for cause. The key personnel for performance of this Agreement are as follows: Graham Wadsworth, Public Works Director; Steve Yee, Interim Assistant Public Works Director; Scott Rovanner, WTP Superintendent; Nate Rankin, Maintenance Superintendent.

4.5 Licenses and Permits. Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including a City of Benicia Business License, and that such licenses and approvals shall be maintained throughout the term of this Agreement, at Contractor's sole cost and expense.

4.6 Standard of Performance; Performance of Employees. Contractor shall perform all Work under this Agreement in a skillful and competent manner, and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Contractor shall perform, at its own cost and expense and without reimbursement from the City, any services necessary to correct errors or omissions which are caused by the Contractor's failure to comply with the standard of care provided for herein. Any employee of Contractor or its subcontractors who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the City, shall be promptly removed from the Project by the Contractor and shall not be re-employed to perform any of the Services or to work on the Project.

4.7 Laws and Regulations. Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with the Services. If Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Contractor shall be solely responsible for all costs arising therefrom. Contractor shall defend, indemnify and hold the City, its officials, directors, officers, employees, and agents free and harmless, pursuant to the indemnification provisions of this Agreement and in accordance with the language of Section 4.10 from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

4.8 Labor Certification. By its signature hereunder, Contractor certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

4.9 Non-Discrimination. Contractor shall not discriminate in the conduct of the work under this Agreement against any employee, applicant for employment, or volunteer on the basis of race, religious creed, color, national origin, and ancestry, physical or mental disability, marital status, pregnancy, sex, age, sexual orientation or other prohibited basis.

4.9.1 Consistent with City's policy that harassment and discrimination are unacceptable employer/employee conduct, Contractor agrees that harassment or discrimination directed toward a job applicant, a City employee, or a citizen by Contractor or Contractor's employee or subcontractor on the basis of race, religious creed, color, national origin, ancestry, physical or mental disability, marital status, pregnancy, sex, age, sexual orientation or other prohibited basis will not be tolerated. Contractor agrees that any and all violation of this provision shall constitute a material breach of the Agreement.

4.10 **Indemnification.** Contractor agrees to indemnify, release, defend and hold harmless the City, its officers, agents and employees ("indemnitees") from and against any and all claims, demands, losses, defense costs or liability of any kind or nature which indemnitees may sustain or incur or which may be imposed upon them for injuries to or death of persons, or damage or injury to property (hereinafter, "Damages") to the extent that Damages are caused by or arise from Contractor's or its employees, consultants', subcontractors', or agents' negligent acts or omissions or willful misconduct in connection with Contractor's performance under the terms of this Agreement. Contractor's or any approved Subcontractor's responsibility for such defense and indemnity obligations shall survive the termination or completion of this contract for the full period of time allowed by law. The defense and indemnification obligations of the contract are undertaken in addition to, and shall not be in any limited by, the insurance obligations contained in this contract. Notwithstanding the foregoing, to the extent Contractor's Services are subject to Civil Code Section 2782.8, the above defense and indemnity obligations shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Contractor.

4.11 **Insurance.** Without limiting Contractor's indemnification obligations, it is agreed that Contractor shall maintain in force, at all times during the performance of this contract, the following types of insurance providing coverage on an "occurrence" basis. Said insurance shall name the City, its officers, agents and employees as additional insureds. Evidence of said insurance shall be delivered to City at the same time Contractor signs this Agreement in certificate forms acceptable to the City.

4.11.1 **Time for Compliance.** Contractor shall not commence the performance of Services under this Agreement until it has provided evidence satisfactory to the City that it has secured all insurance required herein. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the City that the subcontractor has secured all insurance required herein. Failure to provide and maintain all required insurance shall be grounds for the City to terminate this Agreement for cause.

4.11.2 **Minimum Insurance Requirements.** Contractor shall, at its expense, procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of this Agreement by Contractor, its agents, representatives, employees or subcontractors. Contractor shall also require all of its subcontractors to procure and maintain the same insurance for the duration of this Agreement. Such insurance shall meet at least the following minimum levels of coverage:

- IZI Automobile insurance for the vehicle(s) Contractor uses in connection with the performance of this Agreement. Coverage: \$2,000,000 per occurrence for bodily injury and property damage.
- IZI Commercial general liability and property damage insurance. Coverage: \$2,000,000 combined, single limit.
- IZI Worker's Compensation insurance to cover its employees as required by the Labor Code of the State of California. Contractor's worker's compensation insurance shall include the following language: "All rights of subrogation are hereby waived against the City, its officers and employees when acting within the scope of their appointment or employment." In the event any class of employees engaged in hazardous work under this Contract is not protected under Workers' Compensation Statutes, the CONTRACTOR shall provide adequate and suitable insurance for the protection of its employees not otherwise protected.

4.11.2.1 The limits of insurance required in the contract may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the City (if agreed to in a written contract) before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

4.11.2.2 The insurer waives all rights of subrogation against the City, its elected or appointed officials, officers, employees or agents.

4.11.2.3 The insurance provided by this policy shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty days written notice has been received by the City.

4.11.3 **Endorsements.** Each general liability and automobile liability insurance policy shall be with insurers possessing a Best's rating of no less than A:VII and shall be endorsed with the following specific language:

The City, its elected or appointed officers, employees, agents and volunteers are to be covered as additional insureds with respect to liability arising out of work performed by or on behalf of the Contractor, including materials, parts or equipment furnished in connection with such work or operations.

4.11.3.1 This policy shall be considered primary insurance as respects the City, its elected or appointed officers, officials, employees, agents and volunteers. Any insurance maintained by the City, including any self-insured retention the City may have, shall be considered excess insurance only and shall not contribute with it shall be at least as broad as CG 20 01 04 13.

4.11.3.2 This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring company.

4.11 **Deductibles and Self Insured Retentions.** All self-insured retentions (SIR) must be disclosed to the City's Risk Management for approval and shall not reduce the limits of liability.

4.11.5 **Subcontractors.** Should the City approve the hiring or employment of another company or person as a Subcontractor, Contractor agrees to include with all subcontractors in the subcontract the same requirements and provisions of this contract including the indemnity and insurance requirements to the extent they apply to the scope of the subcontractor's work. Subcontractors hired by the Contractor agree to be bound to Contractor and the City in the same manner and to the same extent as Contractor is bound to the City under the Contract Documents. Subcontractor further agrees to include these same provisions with any Sub-subcontractor. A copy of the City's Contract Document indemnity and insurance provisions, Exhibit B hereto, will be furnished to the Subcontractor upon request. The Contractor shall require all subcontractors to provide a valid certificate of insurance and the required endorsements included in the agreement prior to the commencement of any work and will provide proof of compliance to the City.

4.11.5.1 Any approved Subcontractor agrees to be bound to the Contractor and City in the same manner and the same extent as Contractor is bound to the City under this Agreement. Subcontractor further agrees to include the same requirements and provisions of this Contract, including the indemnity and insurance requirements, with any City approved Sub-subcontractor to the extent they apply to the scope of Sub-subcontractor's work.

4.12 **Reporting of Claims.** Contractor shall report to the City, in addition to Contractor's insurer, any and all insurance claims submitted by Contractor in connection with the Services under this Agreement.

4.13 **Bond Requirements.**

4.13.1 **Payment Bond.** Concurrently with executing the Phase III Amendment, Contractor shall execute and provide to the City a Payment Bond in an amount of the agreed-on contract price for Phase III Work. No payment for Phase III Work will be made to Contractor until the bond has been received and approved by the City. The Payment Bond shall be in effect on the Date the Phase III Amendment is signed by the City. Surety companies used by the Contractor shall be, on the Date the Phase III Amendment is signed by the City, listed in the latest published State of California, Department of Insurance, and list of "Insurers Admitted to Transact Surety Insurance in this State." The premiums for the Payment Bond shall be paid by the Contractor. Should, in the City's sole opinion, any bond become insufficient or Surety found to be unsatisfactory, the Contractor shall renew or replace the affected bond within 10 days of receiving notice from the City. In the event the Surety or the Contractor intends to reduce or cancel the Payment Bond, at least thirty (30) days prior written notice shall be given to the City, and the Contractor shall post acceptable replacement bonds at least ten (10) days prior to expiration of the original bond. No further payments shall be deemed due or will be made under this Agreement until any replacement bond required by this Section is accepted by the City. To the extent, if any, that the contract price for the Phase III Work is increased in accordance with the Agreement, the Contractor shall, upon request of the City, cause the amount of the bond to be increased accordingly and shall promptly deliver satisfactory evidence of such increase to the City. To the extent available, the bond shall further provide that no change or alteration

of the Contract (including, without limitation, an increase in the Contract price), extensions of time, or modifications of the time, terms, or conditions of payment to the Contractor will release the surety.

4.13.2 Performance Bond. Concurrently with executing the Phase III Amendment, Contractor shall execute and provide to City a Performance Bond in an amount of the contract price for Phase III Work. No payment for Phase III Work will be made to Contractor until the bond has been received and approved by the City. The Performance Bond shall be in effect on the Date the Phase III Amendment is signed by the City. Surety companies used by the Contractor shall be, on the Date the Phase III Amendment is signed by the City, listed in the latest published State of California, Department of Insurance, and list of "Insurers Admitted to Transact Surety Insurance" in this State. The premiums for the Performance Bond shall be paid by the Contractor. Should, in the City's sole opinion, any bond become insufficient or Surety found to be unsatisfactory, the Contractor shall renew or replace the effected bond within 10 days of receiving notice from the City. In the event the Surety or the Contractor intends to reduce or cancel the Performance Bond, at least thirty (30) days prior written notice shall be given to the City, and the Contractor shall post acceptable replacement bonds at least ten (10) days prior to expiration of the original bond. No further payments shall be deemed due or will be made under this Contract until any replacement bond required by this Section is accepted by the City. To the extent, if any, that the contract price for the Phase III Work is increased in accordance with the Agreement, the Contractor shall, upon request of the City, cause the amount of the bond to be increased accordingly and shall promptly deliver satisfactory evidence of such increase to the City. To the extent available, the bond shall further provide that no change or alteration of the Agreement (including, without limitation, an increase in the Agreement price), extensions of time, or modifications of the time, terms, or conditions of payment to the Contractor will release the surety.

4.14 Safety. Contractor shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out the Services, Contractor shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (a) adequate life protection and life-saving equipment and procedures; (b) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (c) adequate facilities for the proper inspection and maintenance of all safety measures.

4.15 Warranty. Contractor hereby warrants that all equipment and materials manufactured by Contractor or bearing Contractor's nameplate shall be of good quality and shall be free from defects in materials and workmanship, including installation and setup, for a period of one (1) year from the date of beneficial use or substantial completion of the equipment or portion of the Work in question, provided that no repairs, substitutions, modification, or additions have been made, except by Contractor or with Contractor's written permission, and provided that after delivery such equipment or materials have not been subjected by non-Contractor personnel to accident, neglect, misuse or use in violation of any instructions supplied by Contractor. Contractor's sole liability hereunder shall be

to repair promptly or replace defective equipment or materials, at Contractor's option and at Contractor expense. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstatement of equipment and materials necessary to gain access, shall be the sole responsibility of the Contractor. For any Work so corrected, Contractor's obligation hereunder to correct defective Work shall be reinstated for an additional one year period, commencing with the date of acceptance of such corrected Work. The reinstatement of the one (1) year warranty shall apply only to that portion of work that was corrected. Contractor shall perform such tests as the City may require to verify that any corrective actions, including, without limitation, redesign, repairs, and replacements comply with the requirements of the Contract. In the event that Contractor fails to perform its obligations under this Section, or under any other warranty or guaranty under this Contract, to the reasonable satisfaction of the City, the City shall have the right to correct and replace any defective or non-conforming Work and any work damaged by such work or the replacement or correction thereof at Contractor's sole expense. Contractor shall be obligated to fully reimburse the City for any expenses incurred hereunder upon demand. The limited warranty contain in this Section shall constitute the exclusive remedy of the City and the exclusive liability of Contractor for any breach of any warranty related the equipment and materials furnished by Contractor pursuant to this Agreement.

4.15.1 In addition to the warranty set forth in this Section 4.15 above, Contractor shall, at City's request, assign to City any and all manufacturer's or installer's warranties for equipment or materials not manufactured by Contractor and provided as part of the Work, to the extent that such third-party warranties are assignable. For any third-party warranties that are not assignable, Contractor will cooperate with the City to enforce such third-party warranties.

4.15.2 The warranties set forth in this Section 4.15 are exclusive, and Contractor expressly disclaims all other warranties, whether written or oral, implied or statutory, including but not limited to, any warranties or merchantability and fitness for a particular purpose, with respect to the equipment and materials provided hereunder. Contractor shall not be liable for any special, indirect, incidental or consequential damages arising from, or relating to, this limited warranty or its breach.

4.16 **Labor and Material Releases.** As an express condition of final payment, Contractor shall furnish City with labor and material releases from all subcontractors performing work on, or furnishing materials for, the work governed by this Contract prior to final payment by City.

4.17 **Accounting Records.** Contractor shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Contractor shall allow a representative of the City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Contractor shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement for a period of three (3) years from the date of final payment under this Agreement.

5. RESPONSIBILITIES OF THE CITY

5.1 **Duty of Cooperation.** The City shall cooperate with Contractor in providing information, granting access and performing other tasks reasonably necessary for facilitating Contractor's Work, including but not limited to the following:

- a. Within seven (7) days of Contractor's written request, provide access to the City's complete water and sewer billing software database, provided, however, that information in that database shall be treated by Contractor as confidential in accordance with the provisions in Section 8.1.4 of this Agreement;
- b. Within seven (7) days of Contractor's submission, review and approve Meter Test Lists developed by Contractor, *i.e.*, lists of meters that will be tested for accuracy during the Investment Grade Audit stage of the Work;
- c. Provide cooperation to enable Contractor to timely access all of the locations of the meters on the Test Lists;
- d. Provide cooperation to enable Contractor to perform a survey of "Large Meters", *i.e.*, meters that are 3" or larger;
- e. If the City elects to proceed with Phase II of the Work, then the City shall select the water meter manufacturer(s) and the Advanced Meter Infrastructure manufacturer in a timely manner, so as not to delay the Work;
- f. During Phase III:
 - (i) Provide weekly updates to the water and sewer billing database;
 - (ii) Provide cooperation to enable Contractor to timely access the locations where data collectors are to be installed, including without limitation entering leases with utility companies;
 - (iii) Provide cooperation to enable Contractor to timely access all of the other meter locations;
 - (iv) Provide cooperation and assistance to schedule Large Meter replacement; and
 - (v) Integrate AMI meter reads into the current and future billing system.

5.2 **Coordination of other Contractors.** During the term of this Agreement, the City shall coordinate the work of contractors under the City's sole control so as not to disrupt the Work of the Contractor.

5.3 **Effect of Delays.** The City acknowledges that failure to timely perform the duties listed in this Article may delay and impede Contractor's performance of its duties under this Agreement. The parties agree that in the event of such delays, the deadlines for performance shall be equitably adjusted.

6. FEES AND PAYMENT.

6.1 Compensation for Phase I Work. Contractor shall perform Phase I Work for a fixed fee in the amount of fifty thousand dollars (\$50,000) ("Phase I Fee"). If upon the completion of Phase I Work and within thirty (30) days after presentation by Contractor of the results of that Work to the City, the City fails to issue to Contractor a Notice To Proceed with Phase II Work, then the Phase I Fee shall be payable within thirty (30) days of Contractor's invoice. If the City issues a Notice To Proceed with Phase II Work within the 30-day period described herein, then the Phase I Fee will be paid in accordance with section 6.2 of this Article.

6.2 Compensation for Phase II Work. If the City issues to Contractor a Notice To Proceed with Phase II Work, then Contractor shall perform that work for a fixed fee in the amount of seventy eight thousand and six hundred dollars (\$78,600) ("Phase II Fee"). If, upon the completion of Phase II Work and within thirty (30) days after presentation by Contractor of the results of that Work to the City (which period may be extended by a written agreement of the parties), the City and Contractor do not enter into the Phase III Amendment, then the Phase I Fee and the Phase II Fee shall be payable within thirty (30) days of Contractor's invoice. If the parties enter into the Phase III Amendment within the period described herein, then, the Phase I Fee and the Phase II Fee shall be included in the price of Phase III Work.

6.3 Compensation for Phase III Work. Compensation for Phase III Work shall be set forth in the Phase III Amendment.

6.4 Payment of Compensation for Phase III Work. Contractor shall submit to the City a monthly itemized statement which indicates tasks completed and hardware installed during the month, hours of services rendered by Contractor during the month, and supplies provided during the month. The City shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

6.5 City's Right to Withhold Payment. The City reserves the right to withhold payment from Contractor on account of Work not performed satisfactorily, delays in Contractor's performance of Services past the milestones established in the Schedule of Services (Appendix A) or other defaults hereunder. Contractor shall not stop or delay performance of Services under this Agreement on account of payment disputes with the City, provided that the City continues to make payment of undisputed amounts.

6.6 Payment Disputes. If the City disagrees with any portion of a billing, the City shall promptly notify Contractor of the disagreement, and the City and Contractor shall attempt to resolve the disagreement. The City's payment of any amounts shall not constitute a waiver of any disagreement and the City shall promptly pay all amounts not in dispute.

6.7 Extra Work. At any time during the term of this Agreement, the City may request that Contractor perform Extra Work. As used herein, "Extra Work" means any work which is determined by the City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement.

The parties shall negotiate in good faith the price of the Extra Work and any equitable adjustments to the Project schedule. Upon reaching an agreement on these issues, the City Manager shall issue to Contractor a written authorization to proceed with Extra Work. Contractor shall not perform, nor be compensated for, Extra Work without written authorization from the City Manager.

6.8 Prevailing Wages. Contractor is aware of the requirements of California Labor Code Section 1720, et seq., and 1770 et seq., as well as California Code of Regulations, Title 8, Section 1600 et seq. ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. The Work is being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and Contractor agrees to fully comply with such Prevailing Wage Laws. City shall provide Contractor with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Contractor shall make available to interested parties upon request, copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services, and shall post copies at the Contractor's principal place of business and at the Project site. Contractor shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless pursuant to the indemnification provisions of this Agreement and in accordance with the language of Section 4.10.2, from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

6.8.1 Contractor is also aware of the requirements of Labor Code §3800 regarding workers' compensation insurance and shall, prior to City's execution of this Agreement, provide City with either a Certificate of Insurance documenting Contractor's workers' compensation insurance coverage from a company acceptable to City or a letter stating Contractor has no employees. For services deemed public works, Contractor, by signing this Contract, Contractor is certifying pursuant to Labor Code section 1861, "I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract."

6.8.2 Contractor shall comply with the requirements of the California Labor Code including, but not limited to, hours of labor, nondiscrimination, payroll records, apprentices, workers' compensation and prevailing wages.

6.8.3 Not less than the general prevailing rate of per diem wages, and not less than the general prevailing rate of per diem wages for holidays and overtime work, for each craft, classification or type of worker needed to execute the work under this Contract shall be paid to workers, laborers, and mechanics employed in the execution of the work by Contractor or any subcontractor doing or contracting any part of the work. The appropriate determination of the Director of the California Department of Industrial Relations shall be filed with, and available for inspection, at the City offices. Contractor shall post, at each job site, a copy of the general prevailing rate of per diem wages. The Contractor shall forfeit two hundred dollars (\$200.00) per day for each calendar day or portion thereof, for each worker paid less than the stipulated prevailing wage rates for any public work done under this Contract by the Contractor or any subcontractor under the Contractor.

6.8.4 Contractor shall also comply with Labor Code Sections 1776, 1777.5, 1777.6, 1777.7 and 1810.

7. SUSPENSION AND TERMINATION.

7.1 **Suspension.** The City may suspend this Agreement and Contractor's performance of the Services, wholly or in part, for such period as it deems necessary due to unfavorable conditions or to the failure on the part of Contractor to perform any provision of this Agreement. Contractor will be paid for satisfactory services performed through the date of temporary suspension. In the event that Contractor's services hereunder are delayed for a period in excess of six (6) months due to causes beyond Contractor's reasonable control, Contractor's compensation shall be subject to renegotiation.

7.2 **Termination for Cause.** If Contractor at any time refuses or neglects to prosecute its services in a timely fashion or in accordance with the Schedule of Services, or is adjudicated a bankrupt, or commits any act of insolvency, or makes an assignment for the benefit of creditors without the City's consent, or fails to make prompt payment to persons furnishing labor, equipment, materials or services, or fails in any respect to properly and diligently prosecute its services, or otherwise fails to perform fully any and all of the agreements herein contained, Contractor shall be in default.

7.2.1 If Contractor fails to cure the default within seven (7) days after written notice thereof, the City may, at its sole option, take possession of any documents and data (as more specifically described in Section 8.1) or other materials (in paper and electronic form) prepared or used by Contractor in connection with the Project and (1) provide any such work, labor, materials or services as may be necessary to overcome the default and deduct the cost thereof from any money then due or thereafter to become due to Contractor under this Agreement; or terminate Contractor's right to proceed with this Agreement.

7.2.2 In the event the City elects to terminate, the City shall have the right to immediate possession of all documents and data and work in progress prepared by Contractor, whether located at the Project, at Contractor's place of business, or at the offices of a subcontractor, and may employ any other person or persons to finish the Services and provide the materials therefor. In case of such default termination, Contractor shall not be entitled to receive any further payment under this Agreement until the Project is completely finished. At that time, if the expenses incurred by the City in obtaining the Services necessary to complete the Project exceed such unpaid balance, then Contractor shall promptly pay to the City the amount by which such expense exceeds the unpaid balance of the not-to-exceed amounts reflected in Article 6. The expense referred to in the previous sentence shall include expenses incurred by the City in causing the Services called for under this Agreement to be provided by others, for attorneys' fees, and for any costs or damages sustained by the City by reason of Contractor's default or defective work.

7.3 **Termination for Convenience.** In addition to the foregoing right to terminate for default, the City reserves the absolute right to terminate this Agreement without cause, upon 72-hours' written notice to Contractor. In the event of termination without cause, Contractor shall be entitled to payment in an amount not within the not-to-exceed amount which shall be calculated as follows: (1) payment for Work then satisfactorily completed and accepted by the City, plus (2) payment for Extra Work satisfactorily completed and accepted by the City, plus (3) reimbursable expenses actually incurred by Contractor, as approved by the City. The amount of any payment made to

Contractor prior to the date of termination of this Agreement shall be deducted from the amounts described in (1), (2), and (3) above. Contractor shall not be entitled to any claim or lien against the City or the Project for any additional compensation or damages in the event of such termination and payment. In addition, the City's right to withhold funds under Section 6.5 shall be applicable in the event of a termination for convenience.

7.3.1 If this Agreement is terminated by the City for default and it is later determined that the default termination was wrongful, such termination automatically shall be converted to and treated as a termination for convenience under this Section and Contractor shall be entitled to receive only the amounts payable hereunder in the event of a termination for convenience.

7.4 **Other Termination Provisions.** If Contractor completes Phase I Work, but the City fails to issue a Notice To Proceed with Phase II within the period set forth in Sections 6.1 of this Agreement, or, if Contractor completes Phase I and Phase II Work, but the parties fail to enter into the Phase III Amendment within the period set forth in 6.2 of this Agreement, then upon payment of Phase I and/or Phase II Fees, this Agreement shall be terminated.

8. OTHER PROVISIONS.

8.1 Documents and Data.

8.1.1 **Ownership of Documents.** The City shall be the owner of the following items produced pursuant to this Agreement, whether or not completed: all data collected, all documents prepared, of any type whatsoever reflecting the deliverables required by this Agreement, and any material necessary for the practical use of the data and/or documents from the time of collection and/or production whether performance under this Agreement has been completed or if this Agreement has been terminated prior to completion. Contractor shall not release any materials under this Section except after prior written approval of the City. All of Contractor's Pre-Existing Intellectual Property that may be included or incorporated into the deliverables shall remain the sole property of Contractor. Contractor hereby grants the City a non-exclusive, perpetual, non-transferable, royalty-free license to use such Pre-Existing Intellectual Property solely as included or incorporated into the deliverables. For the purposes of this Agreement, "Pre-Existing Intellectual Property" shall mean all trade secrets, patents and patent applications, trade marks (whether registered or unregistered), service marks, trade names, copyrights, rights in inventions and rights to know-how, including but not limited to any and all renewals or extensions thereof (i) which have been conceived or developed by an employee or subcontractor of Contractor before Contractor performed any services under this Agreement, or (ii) if developed while performing services hereunder, was developed for purposes other than the purpose of performing Contractor's obligations under this Agreement.

8.1.2 **Copyright.** No materials produced in whole or in part under this Agreement shall be subject to copyright in the United States or in any other country except as determined at the sole discretion of the City. The City shall have the unrestricted authority to publish, disclose, distribute, and otherwise use in whole or in part, any reports, data, documents or other materials prepared under this Agreement.

8.1.3 **Release of Documents to City.** Contractor shall deliver to the City all the deliverables

prepared by Contractor in connection with this Agreement, including all drafts, memoranda, analyses, and other documents reflecting such deliverables, in paper and electronic form, within five (5) days of receiving a written request from the City.

8.1.4 Confidentiality. All documents, reports, information, data, and exhibits prepared or assembled by Contractor in connection with its performance under this Agreement are confidential until released by the City to the public, and Contractor shall not make any of these documents or information available to any individual or organization not employed by Contractor or the City without the written consent of the City before any such release.

8.1.5 Limitation of Liability for Phase I and Phase II Work Unless contrary to applicable law and except as expressly provided herein, in no event shall Contractor be liable to the City under this Agreement for special, indirect, incidental, punitive, exemplary or consequential damages, including commercial loss, loss of use, or lost profits, however caused, even if the Contractor has been advised of the possibility of such damages. Unless contrary to applicable law or except as otherwise expressly agreed in writing by the parties, Contractor's aggregate liability for any and all claims, losses or expenses arising out of Phase I and Phase II Work under this Agreement, whether based in contract, negligence, strict liability, agency, warranty, trespass, indemnity or any other theory of liability, shall be limited to the sum of \$1,000,000.

8.1.6 Limitation of Liability for Phase III Work. The parties, acting in good faith, will negotiate a limitation of liability provision to be included in the Phase III Amendment.

8.1.7 Events Beyond Party's Control. Neither party shall be responsible for the loss, delay, injury, damage or failure of performance that may be caused by circumstances beyond its control, including but not restricted to acts or omissions by the other party, its employees, agents or contractors, Acts of God, war, civil commotion, acts or omissions of governmental authorities, fire, theft, corrosion, flood, water damages, lighting, freeze-ups, strikes, lockouts, differences with workmen not employed by Contractor or its subcontractors, riots, explosions, quarantine restrictions, delays in transportation, or shortage of vehicles, fuel, labor or materials. In the event that delays in the performance of the Work are caused by acts or omissions of the City, or its employees, agents or contractors, then Contractor's compensation shall be equitably adjusted to compensate for additional costs incurred by Contractor because of such delays.

8.1.8 Hazardous Materials. Contractor's services under this Agreement do not include, directly or indirectly, performing or arranging for the detection, testing, handling, storage, removal, treatment, transportation, disposal, monitoring, abatement, or remediation of any contamination at any facility or site at which Work is performed, including contamination of soil or groundwater, by Hazardous Materials. For the purposes of this Agreement, "Hazardous Materials" shall mean any substances regulated under RCRA, CERCLA or any other federal or state law, including without limitation petroleum or petroleum products, asbestos, PCBs, toxic, radioactive or infectious substances. The discovery of any Hazardous Materials at any location where Contractor's Work is performed shall entitle Contractor to suspend performance immediately, and the resulting delay shall be treated as a delay caused by an Event Beyond Party's Control section of this Agreement.

8.1.9 Assignment; Successors. Contractor shall not assign any of its rights nor transfer any of its

obligations under this Agreement without the prior written consent of the City. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. All representations, covenants and warranties set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

8.1.10 Survival of Obligation. Contractor's obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by the City, its directors, officials, officers, employees, agents, or volunteers.

8.1.11 Contractor Not Agent. Except as the City may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of the City in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, pursuant to this Agreement to bind the City to any obligation whatsoever.

8.1.12 Governing Law; Government Code Claim Compliance. This Agreement shall be governed by the laws of the State of California. Venue shall be in Solano County. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Contractor must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the City. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Contractor. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Contractor shall be barred from bringing and maintaining a valid lawsuit against the City.

8.1.13 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Contractor: Siemens Industry, Inc.,
Attn. Stephen Reese
25821 Industrial Blvd., Suite 300
Hayward, CA 94545

City: City of Benicia
Attn: Graham Wadsworth, Public Works Director
250 East "L" Street
Benicia, CA 94510

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

8.1.14 Incorporation by Reference. All exhibits referred to in this Agreement are attached hereto

and are by this reference incorporated herein.

8.1.15 City's Right to Employ Other Contractors. The City reserves the right to employ other Contractors in connection with this Project.

8.1.16 Construction; References; Captions. The language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Contractor include all personnel, employees, agents, and subcontractors of Contractor, except as otherwise specified in this Agreement. All references to the City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various sections and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Agreement.

8.1.17 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both parties.

8.1.18 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a party shall give the other party any contractual rights by custom, estoppel or otherwise.

8.1.19 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the parties.

8.1.20 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

8.1.21 Interest of Contractor. Contractor covenants that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the Services under this Agreement. Contractor certifies that no one who has or will have any financial interest under this Agreement is an officer or employee of the City.

8.1.22 Interest of Subcontractors. Contractor further covenants that, in the performance of this Agreement, no subcontractor or person having any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the Services under this Agreement shall be employed. Contractor has provided City with a list of all subcontractors and the key personnel for such subcontractors that are retained or to be retained by Contractor in connection with the performance of the Services, to assist the City in affirming compliance with this Section.

8.1.23 Prohibited Interests. Contractor warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Agreement. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any

fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. If required, Contractor further agrees to file, or shall cause its employees or sub-Contractors to file, a Statement of Economic Interest with the City's Filing Officer as required under state law in the performance of the Services. For breach or violation of this warranty, the City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of the City, during the term of this or her service with the City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

8.1.24 Cooperation; Further Acts. The parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

8.1.25 Attorneys' Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorneys' fees and all other costs of such action.

8.1.26 Authority to Enter Agreement. Contractor has all requisite power and authority to conduct its business and to execute, deliver, and perform this Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

8.1.27 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

8.1.28 Entirety of Agreement. This Agreement contains the entire agreement of the City and Contractor with respect to the subject matter hereof, and no other agreement, statement or promise made by any party, or to any employee, officer or agent of any party, which is not contained in this Agreement, shall be binding or valid.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the City and Contractor have entered into this Agreement as of the date first stated above.

CONTRACTOR

CITY OF BENICIA

BY: *Russell DeNapoli*
Signature **Russell DeNapoli**
Director
Field Finance Operations
Title

Brad Kilger, CITY MANAGER

BY: *David R. Mangano*
Signature
David R. Mangano
Sr. Vice President
Field Operations
Title

RECOMMENDED BY:

Graham Wadsworth, P.E.
PUBLIC WORKS DIRECTOR

Digitally signed by Heather C. McLaughlin
DN: cn=Heather C. McLaughlin, o=City of Benicia, ou=City of Benicia, email=heather@cityofbenicia.org, c=CA
Date: 2015.11.19 09:45:03 -0800

APPROVED AS TO FORM:

Heather C. McLaughlin
CITY ATTORNEY

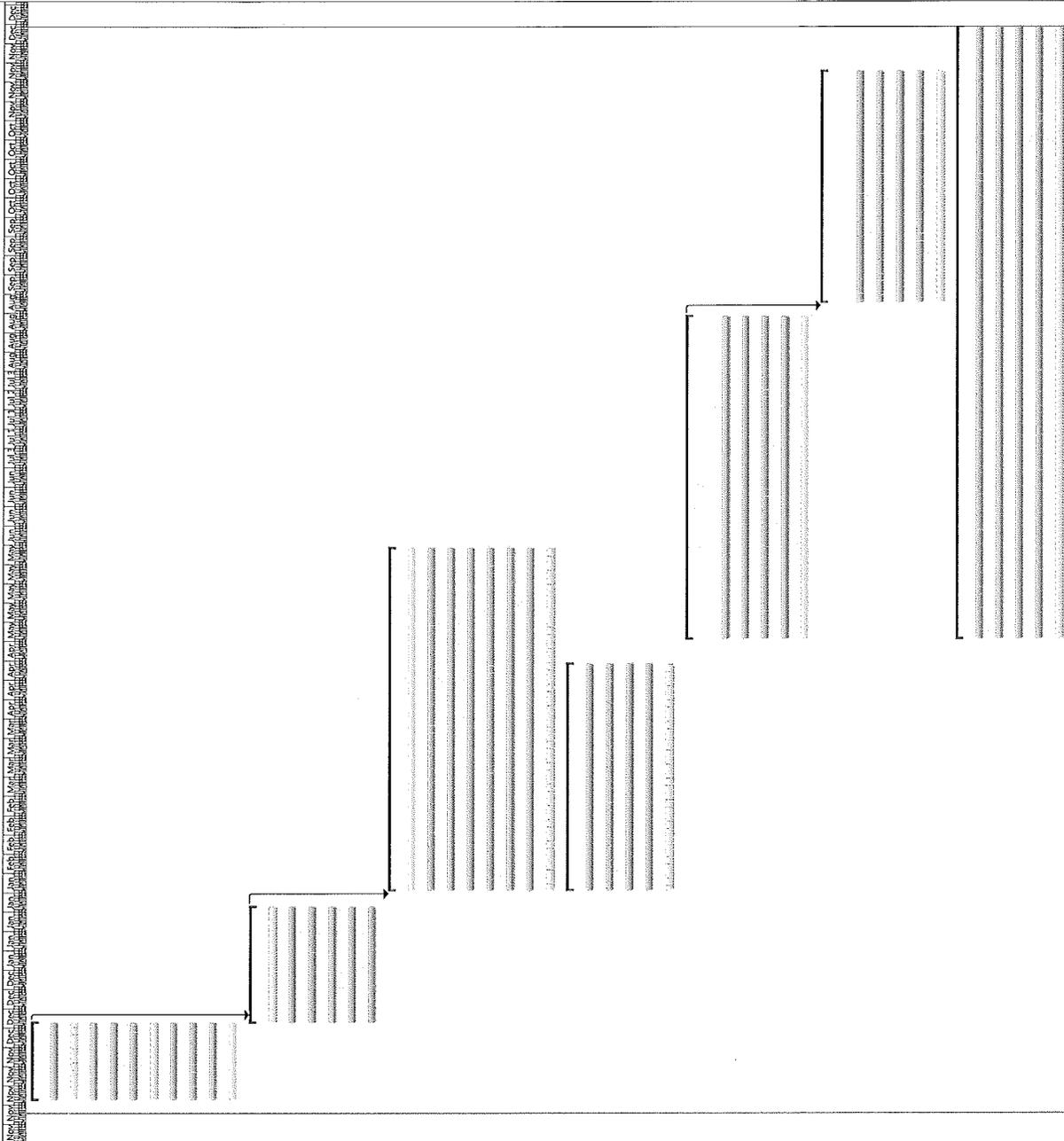
APPENDIX A
MAJOR WORK TASKS

Task	Description	Schedule
1	Project Development and System Analysis <ul style="list-style-type: none"> • Data extraction from existing meter and billing records • Review of administrative/billing needs • Geospatial survey of all water meter locations • Water meter selection • AMI selection • AMI propagation study • Alternatives Analysis workshop 	20 working days from Notice To Proceed for Phase I Work
2	Investment Grade Audit and Financing Model <ul style="list-style-type: none"> • Existing meter accuracy survey • Estimate of life cycle capital and project cost savings • Quantification of financial benefits • Analysis of available financing plans • Analysis of Performance Based Contracting 	30 working days from Notice To Proceed for Phase II Work
3	Construction of Advanced Metering System <ul style="list-style-type: none"> • Procurement of all construction permits • Management of sub-contractors and suppliers • Installation of data collection units, boosters, repeaters • Installation of endpoint module and head-end server • Integration of AMI software with Tyler Murriss ERP software 	90 working days from Notice To Proceed with Phase III Work
4	Replacement of Pre-1985 Residential Water Meters <ul style="list-style-type: none"> • Customer notification • Furnish and install meters and meter lids • Coordinate meter replacement with Public Works/Water Field • Integrate meter identification and meter read with Finance 	60 working days from Notice To Proceed with Phase III Work
5	Replacement of Commercial and Industrial Water Meters <ul style="list-style-type: none"> • Customer notification • Furnish and install meters and meter lids • Coordinate meter replacement with Public Works/Water Field • Integrate meter identification and meter read with Finance 	85 working days from completion of Task 4
6	Replacement of Post-1985 Residential Water Meters <ul style="list-style-type: none"> • Customer notification • Furnish and install meters and meter lids • Coordinate meter replacement with Public Works/Water Field • Integrate meter identification and meter read with Finance 	60 working days from completion of Task 5

7	System Configuration and Billing Integration <ul style="list-style-type: none">• Confirmation of full integration with Tyler Murriss ERP• Confirmation of 100% advanced meter reading• Confirmation of 100% meter billing	160 working days from completion of Task 4
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VIII.A.50

City of Benicia Water Meter Replacement & Advanced Metering Infrastructure Improvement Project



APPENDIX B

SUMMARY OF INDEMNITY AND INSURANCE REQUIREMENTS FOR DESIGN PROFESSIONALS (Civil Code 2782.8)

Please provide a copy of these indemnity and insurance requirements to your insurance broker or insurer to confirm compliance.

INDEMNIFICATION

(a) Consistent with Civil Code section 2782.8, CONSULTANT specifically agrees to indemnify, defend with counsel approved by CITY, and hold harmless CITY, its officers, officials, agents, employees, and volunteers from and against any and all actions, claims, demands, losses, expenses (including attorneys' fees, expert fees and all other costs and fees), damages, and liabilities resulting from injury or death of a person or injury to property, to the extent arising out of CONSULTANT's negligence, recklessness or willful misconduct in the performance of this Agreement, excepting only such injury or death as may be caused by the sole active negligence or willful misconduct of CITY. The CONSULTANT shall pay all costs that may be incurred by CITY in enforcing this indemnity, including reasonable attorneys' fees. The defense and indemnification obligations of this agreement are undertaken in addition to, and shall not in any way be limited by the insurance obligations contained in this agreement.

(b) Should conflict of interest principles preclude a single lawyer from representing both CITY and CONSULTANT, or should CITY otherwise find CONSULTANT'S legal counsel unacceptable, then CONSULTANT shall reimburse CITY its costs of defense, including without limitation reasonable attorney's fees, expert fees and all other costs and fees of litigation. CONSULTANT shall promptly pay any final judgment rendered against CITY (and its officers, officials, agents, employees and volunteers) with respect to claims determined by a trier of fact to have been the result of CONSULTANT's negligent, reckless or wrongful performance. It is expressly understood and agreed that the foregoing provisions are intended to be as broad and inclusive as is permitted by the law of the State of California and will survive termination of this Agreement.

(c) Further, CONSULTANT will indemnify CITY, and hold it harmless, from an assertion that as a result of providing services to CITY, CONSULTANT or any of its employees or persons performing work pursuant to this Agreement is entitled to benefits from, or is covered by, the Social Security retirement system or the California Public Employees Retirement Systems. Notwithstanding the foregoing, however, CONSULTANT's obligations for any payments to such claimant shall be limited to those payments which CITY may be required to pay.

INSURANCE

(a) Without limiting CONSULTANT'S indemnification, it is agreed that CONSULTANT shall maintain in force at all times during the performance of this contract, the following types of insurance providing coverage on an "occurrence" basis. Said insurance shall name the CITY, its officers, agents and employees as additional insureds. Evidence of said insurance shall be delivered to CITY at the same time CONSULTANT signs this Agreement in certificate forms acceptable to the CITY.

- IZI Automobile insurance for the vehicle(s) Contractor uses in connection with the performance of this Agreement. Coverage: \$2,000,000 per occurrence for bodily injury and property damage.
- IZI Commercial general liability and property damage insurance. Coverage: \$2,000,000 combined, single limit.
- IZI Worker's Compensation insurance to cover its employees as required by the Labor Code of the State of California. Contractor's worker's compensation insurance shall include the following language: "All rights of subrogation are hereby waived against the City, its officers and employees when acting within the scope of their appointment or employment." In the event any class of employees engaged in hazardous work under this Contract is not protected under Workers' Compensation Statutes, the CONTRACTOR shall provide adequate and suitable insurance for the protection of its employees not otherwise protected.

(1) The limits of insurance required in the contract may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and noncontributory basis for the benefit of the City (if agreed to in a written contract) before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

(2) The insurer waives all rights of subrogation against the City, its elected or appointed officials, officers, employees or agents.

(3) The insurance provided by this policy shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty days written notice has been received by the City.

(b) Endorsements. Each general liability and automobile liability insurance policy shall be with insurers possessing a Best's rating of no less than A:VII and shall be endorsed with the following specific language:

(1) The City of Benicia, its elected or appointed officers, employees, agents and volunteers are to be covered as additional insureds with respect to liability arising out of work performed by or on behalf of the CONSULTANT, including materials,

parts or equipment furnished in connection with such work or operations.

(2) This policy shall be considered primary insurance as respects the City, its elected or appointed officers, officials, employees, agents and volunteers. Any insurance maintained by the City, including any self-insured retention the City may have, shall be considered excess insurance only and shall not contribute with it. The Additional Insured coverage shall be at least as broad as CG 20 01 04 13.

(3) This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring company.

(c) Subcontractors. In the event CONSULTANT desires to hire or employ any other company or person to perform any part of the services contemplated herein, the written approval therefore must be first obtained from the CITY. The CITY may withhold such approval for any reason. If approval is given by the CITY, CONSULTANT shall secure and provide City evidence securing said Worker's Compensation insurance covering said approved employee(s) in statutory amounts and providing 30 days' advance notice to CITY in the event said policy is canceled.

(1) Should the City approve the hiring or employment of another company or person as a sub consultant, CONSULTANT agrees to include with all sub consultants in the subcontract the same requirements and provisions of this contract including the indemnity and insurance requirements to the extent they apply to the scope of the sub consultant's work. Sub consultants hired by the CONSULTANT agree to be bound to CONSULTANT and the City in the same manner and to the same extent as CONSULTANT is bound to the City under the Contract Documents. Sub consultant further agrees to include these same provisions with any Sub-sub consultant. A copy of the City's Contract Document indemnity and insurance provisions will be furnished to the sub consultant upon request. The CONSULTANT shall require all sub consultants to provide a valid certificate of insurance and the required endorsements included in the agreement prior to the commencement of any work and will provide proof of compliance to the City.

(2) Any approved sub consultant agrees to be bound to the CONSULTANT and the City in the same manner and the same extent as CONSULTANT is bound to the City under the Contract Documents. Sub consultant further agrees to include the same requirements and provisions of this Contract, including the indemnity and insurance requirements, with any City approved sub consultant to the extent they apply to the scope of sub consultant's work.

(d) Deductibles and Self-Insured Retentions. All self-insured retentions (SIR) must be disclosed to the City's Risk Management for approval and shall not reduce the limits of liability.

5. Scope of Work

Task 1 – Project Development and Detailed Analysis

Kick-off Meeting

The first meeting with the City will be an introduction of the development team. This meeting will be an opportunity for the City to give the Siemens team an overview of the goals for the new system and to identify key items to consider such as meter preferences, timeframes for implementation, financial objectives for the project, or any other concerns. It is also a chance for Siemens to describe the development process to the assigned City team members, and discuss roles and responsibilities, data needed, and deliverables.

Data Collection

In order to complete the analysis and to develop a detailed feasibility study, a significant amount of data will be collected from the City's billing software program. The engineering team understands that this information is confidential and will protect the data with an Information Security Program. This program can be tailored to meet the City's IT requirements. Some of the data points collected on individual accounts include:

- Account #
- Meter Size
- Meter Serial #
- Meter Manufacturer
- Monthly Consumption (kGal), ideally 36 months
- Monthly Bills (\$)
- Date of Installation
- Address
- GPS data/GIS Shape File (from City GIS system, if available)

This data will be used to develop the consumption baselines used to calculate revenue generation in cash flow models. This task does require the Billing Software Company, in this case Tyler- Munis, to write a program to extract the information from their system. The ability of the Siemens team to complete this task according to our schedule, will be dependent on Tyler Munis completing the extraction within 20 days.

Additionally, Siemens needs to learn about the City's approved and planned future rate increases.



Meter Surveys

Example of buried large meter



Siemens will conduct a partial field survey of the water meter system. The larger commercial meters need to be inspected to determine if they meet the requirements for field testing. The following data is collected for each meter during the large meter survey and will be included in the Appendices of the detailed audit report along with a picture of the meter.

Size	Actual Size of Meter as Observed in the Field
Type	Turbine, Compound, Fire Service, etc.
MFG	Meter Manufacturer
Flg or Thr	Flanged or Threaded Meter Connections
Box Cond	Box Condition (Good or Bad)
Test Port	Does Meter Have Test Port?
Sep Strainer	Does Meter Have a Strainer?
Inlet Valve	Does Meter Have an Inlet Valve?
Outlet Valve	Does Meter Have an Outlet Valve?
Bypass	Does Meter Have a Bypass?
# Registers	Number of Registers on Meter
Touch Rd	Is the Meter Touch Read?
Transmitter	Does Meter Have a Transmitter?
Indoor / Outdoor	Is the Meter Outdoor or Indoor?
Has Wires	Does Meter Have Wires on Register?
Length	Meter Lay Length
Pic #	Picture # for Identification
Link	Picture Link for Identification (used to Hyperlink pictures with accounts)

Not all large meters can be tested in the field.

Once the large meter survey is completed the “Master Test List” will be reviewed and approved by the City. The large meter testing will then be scheduled with a licensed third party testing company and the individual businesses that will be impacted during the testing process can be notified.

Meter Testing

Meter testing for existing accuracy is a critical step in the development of the Detailed Analysis. Siemens follows the AWWA standards for water meter testing and uses an independent, third-party testing facility to ensure objective results. We have conducted interviews and site visits to ensure that the labs we use are up to Siemens’ standards for calibrations of test benches and that they follow AWWA guidelines for testing.

For the random test sample list the Siemens engineering team follows the process steps outlined by the AWWA Manual of Practice M6. The Manual of Practice instructions described below are followed:

After developing a basic understanding of statistical sampling, the following steps should be implemented:

1. Determine desired confidence level.
2. Determine appropriate sample lot size for the confidence level.
3. Determine criteria for testing (size, age, volume, type)
4. Randomly select and retrieve water meters.
5. Test and document.
6. Analyze test data.
7. Report with recommendations.

For our projects Siemens uses the FEMP Guidelines for Measurement and Verification pre-measurements which use a 90% confidence level and a 10% error tolerance. The total lot size is the summation of the quantity of meters sized 5/8” up to 2” positive displacement meters. These meters are typically used for residential and light commercial applications and share similar usage patterns. These meters are removed from the field and shipped to a testing facility, unlike the larger commercial meters that have to be field tested to determine their accuracy.

Once the total number of meters to be tested is calculated based on the lot size and the desired confidence level, the random number generator tool within Microsoft Excel is used to randomly select the meters for testing. This test list is sent to the City for approval to ensure that there are no problem meters in the list. Problem meters would be accounts where there are hazards that would prevent the meter from being replaced during this testing phase of the project including dogs, unhappy residents, vacant properties, etc.

The selected meters are then pulled from the field and replaced with a like meter. The pulled meters are shipped to pre-qualified, third-party testing labs where the meters are tested according to the AWWA MOP M6 testing guidelines. The tests are performed on calibrated test benches and the results reported back to Siemens. For this sample of meters we then calculate the average weighted accuracy using the AWWA MOP M6 guideline. The formulation for this testing is as follows:

For a true test of a water meter at all flow rates, AWWA standards recommend first testing low, medium, and high flow rates and then calculating the aggregate meter efficiency by weighted



formula. The three test points (High, Med, and Low flow) are weighted 15%, 70%, and 15%. The formula for meter accuracy is as follow:

$$\begin{aligned}
 & (15\% \times \text{Measured Efficiency @ High flow}) \\
 & + (70\% \times \text{Measured Efficiency @ Medium flow}) \\
 & + (15\% \times \text{Measured Efficiency @ Low flow})
 \end{aligned}$$

Average Weighted Efficiency of the Meter

(Reference: AWWA Meter Manual M6, Fourth Edition; pg 60, "Meter Testing")

The results from the testing facility are listed by meter and by flow range. These results are tabulated and averaged. A copy of the testing data will be included in a final report to the City. Below is a sample of a results spreadsheet:

Figure 5-1: Sample Report of Meter Accuracy Testing Results

AWWA Standard Tests							Min.	Inter.	Max.		
	Meter Size:	0.625 x 0.75	(5/8" x 3/4")	Weighted Factors:			15.0%	70.0%	15.0%		
	Meter Type:	PD (Positive Displacement)									
	Test Dates:	7/14/2014									
	Water Utility:	BUFFALO GROVE									
Ref #	Manufacturer	Serial #	Reading (kgal)	Minimum Flow		Intermediate Flow		High Flow		Weighted Average Accuracy (%)	
				Rate (gpm)	Accuracy (%)	Rate (gpm)	Accuracy (%)	Rate (gpm)	Accuracy (%)		
1	ROCKWELL	N/A	11,553,580	0.25	76.0%	2.00	100.0%	15.00	99.0%	96.3%	
2	ROCKWELL	N/A	874,840	0.25	84.0%	2.00	100.0%	15.00	99.0%	97.5%	
3	ROCKWELL	21,757,126	2,682,370	0.25	80.0%	2.00	99.0%	15.00	98.0%	96.0%	
4	ROCKWELL	22,087,884	2,497,530	0.25	83.0%	2.00	96.0%	15.00	100.0%	94.7%	
5	ROCKWELL	21,800,157	2,206,140	0.25	75.0%	2.00	101.0%	15.00	99.0%	96.8%	
6	ROCKWELL	21,756,656	2,253,330	0.25	48.0%	2.00	99.0%	15.00	98.0%	91.2%	
7	ROCKWELL	21,463,351	1,388,030	0.25	0.0%	2.00	99.0%	15.00	98.0%	84.0%	
8	ROCKWELL	21,757,392	2,722,410	0.25	66.0%	2.00	97.0%	15.00	98.0%	92.5%	
9	ROCKWELL	21,418,070	2,085,570	0.25	92.0%	2.00	90.0%	15.00	100.0%	91.8%	
10	ROCKWELL	21,750,971	2,019,190	0.25	84.0%	2.00	100.0%	15.00	99.0%	97.5%	
11	ROCKWELL	21,756,768	1,922,210	0.25	80.0%	2.00	99.0%	15.00	99.0%	96.2%	
12	ROCKWELL	21,326,102	2,927,210	0.25	72.0%	2.00	99.0%	15.00	99.0%	95.0%	
13	ROCKWELL	21,756,868	1,813,580	0.25	86.0%	2.00	101.0%	15.00	99.0%	98.5%	
14	ROCKWELL	40,051,943	1,450,600	0.25	0.0%	2.00	97.0%	15.00	98.0%	82.6%	
15	ROCKWELL	21,800,182	2,147,350	0.25	76.0%	2.00	100.0%	15.00	98.0%	96.1%	
16	ROCKWELL	21,757,205	2,637,170	0.25	0.0%	2.00	97.0%	15.00	98.0%	82.6%	
17	ROCKWELL	40,051,987	2,039,480	0.25	0.0%	2.00	98.0%	15.00	97.0%	83.2%	
18	ROCKWELL	21,827,725	1,878,410	0.25	75.0%	2.00	97.0%	15.00	98.0%	93.9%	
19	ROCKWELL	21,800,152	1,734,090	0.25	0.0%	2.00	99.0%	15.00	97.0%	83.9%	
20	ROCKWELL	21,617,196	1,850,010	0.25	78.0%	2.00	101.0%	15.00	99.0%	97.3%	
21	ROCKWELL	22,294,067	1,529,670	0.25	70.0%	2.00	96.0%	15.00	98.0%	92.4%	
22	ROCKWELL	N/A	1,677,400	0.25	65.0%	2.00	100.0%	15.00	99.0%	94.6%	
23	ROCKWELL	N/A	1,696,250	0.25	88.0%	2.00	107.0%	15.00	100.0%	103.1%	
24	ROCKWELL	N/A	1,044,870	0.25	82.0%	2.00	100.0%	15.00	99.0%	97.2%	
25	ROCKWELL	N/A	1,541,850	0.25	70.0%	2.00	99.0%	15.00	98.0%	94.5%	
26	ROCKWELL	N/A	15,244,470	0.25	74.0%	2.00	97.0%	15.00	98.0%	93.7%	
										93.2%	

Deliverables for Task 1

- Survey of meter locations and large meter survey
- Meter Accuracy Results Report

Task 2 – Investment Grade Audit and Financing Model

Water Meter and AMI Selection

Siemens will evaluate various meter and AMI options and help the City determine which manufacturer and product best meets the City’s metering needs and goals. Siemens can conduct a comparison of multiple meter/AMI manufacturers including:

- Sensus
- Neptune
- Badger
- Master Meter
- Itron (AMI System)

We have found it helpful to conduct a Technology Symposium that allows the various manufacturers time to make a presentation on their product and its capabilities.

Siemens will compile the information and chart the comparisons so that the City can clearly view the advantages and disadvantages of the various technologies. The evaluation will include a review of the various services, modules and customer portals provided by the different technology vendors. This will likely include services like data hosting, and modules that provide leak detection. The results can be presented in a chart similar to the sample chart below for the City.



Figure 5-2: Sample Meter Comparison Chart

Meter/AMR Comparison						
Complete Meter/AMR Systems						
Networking Solutions Only						
	Sensus FlexNet	Neptune ARB Fixed Base	Badger Galaxy Fixed Base	Elster	Aclara Star Network	DataMatic Mosaic
Type of AMI System	High Powered Endpoint to Tower system, Private 900 MHz Network	Low Powered Endpoint to Tower System, Private 400 MHz Network	Low Powered Endpoint to Tower System, Private 400 MHz Network	Very Low Powered Mesh System, Public 900 MHz Frequency	Low Powered Endpoint to Tower System, Private 2nd User 400 MHz Network	Very Low Powered Mesh System, Public 900 MHz Frequency
Fixed Network Receiver						
Model	Tower Gateway Basestation (TGB)	R450 Collector	Gateway Receiver	Evolution EvoGate	Data Collection Unit (DCU)	Mosaic
2-Way Communication	Yes	Yes	Yes	Yes	No	Yes
Frequency of Data Transmission	Immediately - Readings are sent to Server Immediately, not in batches	Once a Day in a Batch Mode	Store & forward scheduled 1x per day; on demand	User Selectable w/ Demand Capability	Twice a day - in a Batch Mode	Batch Mode - 1x day - literature is vague

A propagation study will be done by the selected technology vendor in order to provide the correct number of towers, collectors etc. to read the entire system. Siemens will work with the City to gather information on all viable assets that could be used for tower/antennae locations. These towers will have the data collection units mounted on them. The information gathered would include:

- Name of Asset (example – East Water Tower)
- Asset Address or GPS Coordinates
- Asset Type (examples – water tower or cell tower)
- Asset Height (example – 137 Ft.)
- Power Available
- Ownership of Asset (i.e The City, or another entity)

Each manufacturer has their own proprietary software packages that will allow them to generate a propagation study based on this information. This study determines the ideal location for the data collection units in order to get redundant coverage and achieve a desired reading accuracy percentage. Each manufacturer uses a different type of system (line of site, mesh network, etc.) so the number of towers needed will be different for each system.

(Siemens also can provide the City with an alternative to single-function collectors and repeaters. Please see Section 5)

Alternatives Analysis Workshop

We can work with the City to host a workshop to explore alternatives for AMI and typical metering systems. The growth of “big data” has spawned a variety of companies looking to integrate data within Cities. We can explore the viability of these types of systems at that time.

Financial Analysis and Benefits to the City

Once we have the existing accuracy results from Task 1 and the City has selected their preferred meter manufacturer, we can begin the financial analysis to determine the life cycle costs and revenue re-capture benefits of the meter replacement program. During the Phase 1 kick-off meeting, we identify the various financial measures and results the City is interested in reviewing. These metrics may include life-cycle cost analysis, return on investment, or net present value.

The production of the cash flow model is a collaborative effort between the City and the Siemens team. We will ask you to provide information about current operational costs, acceptable inflation rates and we can provide realistic assumptions for interest rates to be used in the analysis. We have included a description of the methodology used to calculate expected revenue increases and the cash flows in general.

The cash flows we produce will include the following parameters:

- Existing Meter Accuracy (third party test results)
- Proposed Meter Accuracy (guaranteed values)
- Existing Consumption Baseline (database historical download for each meter)
- Current Utility Rates
- Escalation Rates (Known Rate Increases and then Standard CPI ~ 3%)
- Operational Savings (mutually agreed upon by City and Siemens)
- Capital Cost Avoidance (CIP budgeted dollars – mutually agreed upon by City and Siemens)

Equations Typically Used for the Cash Flow Analysis

The increase in the consumption is calculated as follows:

$$\text{Actual Flow through Meter [kgals]} = \text{Baseline Consumption [kgals]} \div \text{Existing Meter Accuracy [\%]}$$

Example:

Year 1 – ¾” Single Family – Inside City – 0 to 10 kgals



$$\begin{aligned}
 \text{Baseline Consumption (kgals)} &= 229,674 \text{ kgals} \\
 \text{Existing Meter Accuracy (\%)} &= 96.4\% \\
 \text{Actual Flow through Meter (kgals)} &= 229,674 \div 96.4\% \\
 &= 238,251 \text{ kgals} \\
 \text{Consumption Billed with New Meters [kgals]} &= \\
 \text{Actual Flow through Meter [kgals]} \times \text{New Meter Accuracy [\%]} &=
 \end{aligned}$$

Example:

$$\begin{aligned}
 \text{Year 1 – } \frac{3}{4} \text{” Single Family – Inside City – 0 to 10 kgals} & \\
 \text{Actual Flow through Meters (kgals)} &= 238,251 \\
 \text{New Meter Accuracy (\%)} &= 98.5\% \\
 \text{Consumption Billed with New Meters (kgals)} &= 238,251 \times 98.5\% \\
 &= 234,677 \text{ kgals} \\
 \text{Billable Usage Increase [kgals]} &= \\
 \text{Consumption Billed with New Meters [kgals]} - \text{Baseline Consumption [kgals]} &=
 \end{aligned}$$

Example:

$$\begin{aligned}
 \text{Year 1 – } \frac{3}{4} \text{” Single Family – Inside City – 0 to 10 kgals} & \\
 \text{Consumption Billed with New Meters (kgals)} &= 234,677 \\
 \text{Baseline Consumption (kgals)} &= 229,674 \\
 \text{Annual Consumption Increase (kgals)} &= 234,677 - 229,674 \\
 &= 5,003
 \end{aligned}$$

Dollar Savings Calculations (Increased Revenue)

In order to calculate the additional revenue that will be generated by the City, the annual Billable Usage Increase is multiplied by the contract stipulated Water Rate for the given meter group. The contract stipulated Water Rate will be agreed upon by Siemens and the City and is determined by analyzing the rate structure along with appropriate escalation factors.

The following formula is used to calculate the Annual Billable Usage Increase (\$)*:

$$\begin{aligned}
 \text{Annual Billable Usage Increase (\$)} &= \\
 \text{Billable Usage Increase (kgals)} \times \text{Water Rate (\$/kgal)} &=
 \end{aligned}$$

*The calculation of Billable Usage Increase will be based on a comparison between the average efficiency of the old meter population (those meters in the Baseline) and the tested efficiency of the new meters. The increase in efficiency (differential meter efficiency) is multiplied by the Baseline Consumption for the system or meter size grouping, as applicable.

All assumptions used in this analysis will be reviewed and agreed upon with the City. A final cash flow analysis using the parameters bulleted above will be presented to the City. The results of this analysis will provide the annual billable usage increase in kgals or CCF and the associated annual billable usage increase in dollars.

The evaluation and analysis of the financial performance of the project is a critical component of our study. This includes life cycle cost analysis (with an emphasis on total lifecycle costs rather than just first costs), cash flow analysis, utility rebate program management, grant program evaluation and applications and the evaluation and recommendations of various funding mechanisms (QECBs, Tax-Free Municipal Leases, WIFA, Capital, Federal Grants, etc.). It is our responsibility to provide multiple scenarios for the customer to evaluate, in order to ensure the right financial program is established and the City achieves its financial and operational goals.

Deliverables for Task 2

- Chart comparing Technology Vendors
- Propagation study from chosen Technology
- Workshop presentation on alternatives
- Assumptions for Financial Analysis
- Analysis of financing options and performance contracting
- Financial Analysis including all AMI system costs, operational savings, expected revenue increases, and ongoing costs
- Contract documents to move forward with installation of the system in phases

Task 3 – Construction of Advanced Metering System

This portion of the work must be completed first in order for the AMI system to read the meters as designed. There are two key components to this portion of the scope of work:

- Installation of the Collection System and
- Integration of the Meter Software with the Tyler Munis ERP Software

These tasks can be completed in parallel and can take quite a bit of time to complete. Therefore, they should be started as soon as possible. The collection system type will depend on the manufacturer chosen. For example, with the Sensus FlexNet System, the collection system would typically consist of 2 to 4 Tower Gateway BaseStation. It is preferred that these are installed on tall City owned assets, such as water towers.

Other systems, like the Itron Choice Connect Fixed Based system, uses a mesh type network with a larger number of collectors and repeaters that can be installed lower down on street lights or utility

poles. If the City does not own these utility poles, they will need to obtain access to these poles, which is typically done with a Joint Utility Agreement Lease.

Each tower/collector location will require power and a backhaul data connection, such as Ethernet, Wi-Fi, or DSL. Siemens will work with the City to identify and procure any construction permits that might be needed if we are building towers or using existing infrastructure.

The Integration of the Meter Software with the Tyler Munis ERP Software is also critical. The data used for the construction phase activities are downloaded and uploaded electronically. This data integration activity prevents the City or Siemens IT staff from entering the meter data exchange information by hand. Tyler Munis works on a queue system. We will need to get into their programming queue as quickly as possible. This can take anywhere from 2 to 6 months to complete.

Task 4 – Replacement of Pre-1985 Residential Water Meters

The scope of the project has been clearly defined in Phase 1 and 2 of the project, and now the Siemens team, under the direction of the Project Manager, will install the scope. During this Phase Siemens will perform the following for the meters that have been identified as Pre-1985 residential meters:

- Work with City to inform Citizens about the project and the implementation schedule
- Replace pre-1985 Residential Water meters
- Collect GPS coordinate of each meter pit and download coordinates into the billing system or GIS software
- Provide digital pictures of old and new meter for each location
- Provide and update meter installation schedule
- Lead the quality control team & implement safety program.
- Manage Subcontractors.
- Maintain project records and documentation locally.
- Conduct weekly project meetings to include key staff, subcontractors, and City Staff.
- Utilize and maintain system for tracking submittals, product data.
- Coordinate with City Staff regarding sequencing issues, necessary to minimize disruption due to installation activities.
- Ensure smooth transition of data from old meter to new meter

Best Practices for Water Meter Installations

In order to effectively oversee and execute a meter replacement program, we have developed and refined a process of best practices that allows for successful execution of the many components associated with the installation of an AMI system.



Community Outreach: Clear Communication with the Community

A well-executed customer notification plan is the key to reducing the number of phone calls that the City will field from an uninformed customer base. In an effort to reduce this encumbrance to inform the City’s residential, commercial, industrial, and institutional customers of the date and time their service will be affected, our team works with the City to use various forms of multi-lingual notification such as:

- Letters
- Emails
- Door Hangers
- Inserts in monthly bills

During the installation phase, we provide a 24 hour call number that residents can call if they have problems or concerns, and a list of “Frequently Asked Questions” that the City can post on their website.

Safety and security are paramount when engaging the community of end-users that comprise your water utility. Every member of the change-out team, as well as all vehicles are marked with the Siemens Team logo. This signage ensures that we are recognizable to the citizens when we are working on or about their property, and when our crews and vehicles are within the community. Our project managers will be differentiated in dress from the change-out crew so that they remain visibly accessible to the City at all times. Instant accessibility allows the City to streamline ongoing requests during installation.

Managing Sub-Contractors

Siemens will be responsible for managing the work done on the project and the Siemens project manager will be the main interface with the City. In general, these duties include the following:

- Inventory management – ensuring meters, transmitters, meter lids, boxes valves etc... are received and accounted for, and that the meters are functioning and programmed correctly for the City’s billing methodology.
- Problem Resolution – If there is an issue with ordering of materials or interfacing with residents, or unforeseen site conditions, the Siemens Project Manager will report any issues and the resolution plan to City on a weekly basis.
- Locations and Progress – Siemens will manage and track the location of installation crews and their progress to date.



- Billing and Payments – Siemens will oversee and verify any payments to be made to vendors by the City.
- Maintaining overall Project Schedule – Siemens will oversee the project schedule and report on our progress weekly to the City and inform them of any variances in the schedule, the reason for those variances and the plan to mitigate additional time in the schedule.
- Weekly Progress Meetings – Siemens will schedule and run weekly meetings with City Staff, Siemens staff and sub-contractors to communicate progress on the project, any critical information and efficiently resolve issues with the project.

Project Management Communications/Reporting

Our project manager develops and maintains effective ongoing communication with you and all other project participants to resolve issues and update project status. To improve communications, our project manager serves as your single point of contact.

One major reason to choose Siemens as your partner for the installation of your water meter project, is that we already have a process in place that includes reports, meeting and installation schedules. As an experienced partner, we will provide the following reports, and set up the following meetings.

- Weekly Progress Reports
- Weekly meetings
- Periodic meetings (frequency determined in conjunction with City) with major stakeholders
- Training Sessions with City Personnel

Coordinate Meter Replacement with Public Works/Water Field

A detailed discussion of meter change-out procedures will be presented during our preconstruction meetings. In short, the below topics present a general overview of our strategic approach to efficiently maximizing our installation efforts while minimizing disruptions to the City. These topics range from what types of materials the City wants us to use, to the exact process that we follow for shutting the water off and on. Going over all details would be too lengthy for this document; however, there are a few worth mentioning.

- **Training** – We begin with an experienced installation group. Every installer receives initial and ongoing training on the proper way to change a meter, as well as the AMR device of the water authority's choice. Each installer knows the importance of carefully handling the new meter and AMR device with care so as to protect the integrity of critical technology components. We require all installers to attend a daily morning tool box meeting, where we discuss safety topics and installation best practices. Furthermore, these daily meetings allow us to voice issues brought to our attention by the water utility in a productive “sharpening of the saw” manner.
- **Responding to Problems** – As with all construction projects, we recognize that when we are installing between 100 and 200 meters a day, a small percentage of those installs are going to require a revisit. Therefore, we staff a 24 hour City Response Person (CRP). The CRP's primary job is to respond to any calls that may come into the Water Authority regarding any issue with the meter installation. The CRP is available 24 hours a day and carries with him an on-call phone that is



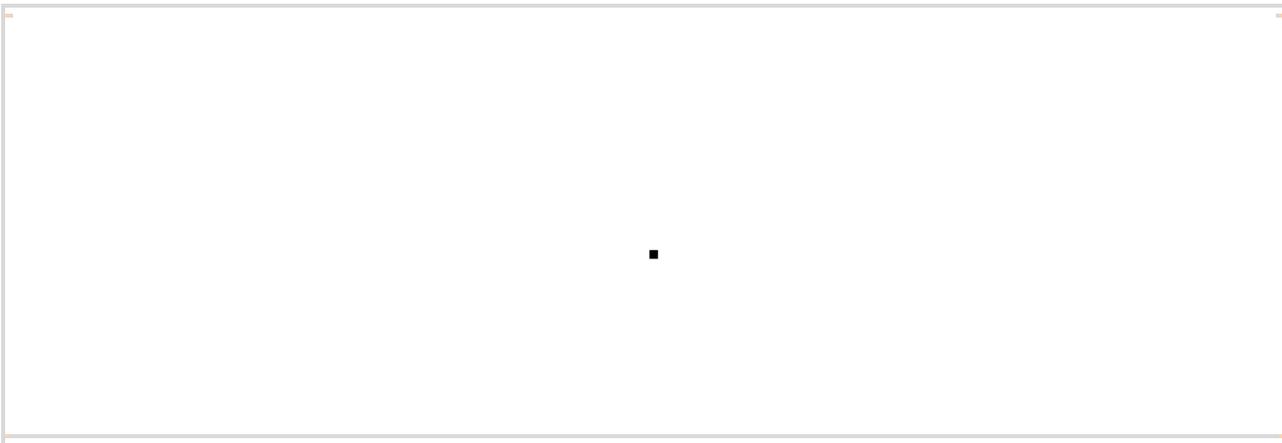
available to every person in the water authority affected by the project. The resolution of these calls will be tracked in our weekly progress reports and meetings with City staff.

- **Digital Pictures** – If necessary and for verification of old readings, accurate new meter installation, and location of meters years after the project is complete, we can take digital pictures of each meter changed. These digital pictures may be linked to the customer’s account in the billing system and are available any time they are needed.
- **GPS Coordinates** – To aid the City in locating meters, our installers gather the GPS Coordinates of each meter pit. These coordinates are downloaded into the billing system or GIS Software as we work our way through the project.
- **Nothing Overlooked** – A “turn-key” project is true to the extent that it considers and includes all items for the successful installation and performance of any project. To this end, our approach to a meter retrofit includes the often overlooked items that add post project completion costs to a water utility. This list includes, but is not limited to the replacement of damaged meter vaults, lids, curb stops, flanges, gaskets, as well as many other ancillary parts. We also assume liability for broken connections within a limited range up and downstream of the meter body.

Integrate Meter Identification and Meter Read with Finance

It is our opinion that the trade secrets that are described below are some of the major areas that separate our team from any other installation effort. Adherence to these proven practices is critical to a smooth project with little to no issues affecting the City. A lack of discipline to perform the below items may result in a project that requires large amounts of time from the City’s personnel and additional costs. We stress these issues because we are proud of the countless hours we have put into developing and perfecting the processes used.

Each of these processes are led and managed by our IT person that will be staffed on your project from start to finish. All of our IT personnel work on these types of projects on a daily basis; and therefore, have received a great deal of experience maintaining the integrity of billing information. They understand that our installation effort cannot interfere with the current acquisition of data or process to create and distribute bills. We request that they have the ability to have an office very close to the billing department, if the City has space available, and work very closely with billing as we go through the project.



-

Deliverables for Task 4

- Meter Installation Schedule
- Customer Information Pieces (Letters, Emails, FAQs, Flyers, Door hangers)
- Weekly Progress Reports
- GIS information and digital pictures of each installation
- Commissioning documents on each book as they are commissioned

Task 5 – Replacement of Commercial and Industrial Water Meters

Our scope for Task 5 will be essentially the same as the scope for Task 4. However, these are the meters that are larger in size and serve commercial and industrial customers. You can't turn the water off to a hospital in the middle of the day or you could interrupt a surgical procedure in progress or to a restaurant during their evening rush hour. The Siemens team understands these time constraints and will work with these users to schedule the best time to replace their water meter. The amount of time required for each installation is based on what is found during the large meter audit, the size and configuration of the meter vault/pit and other environmental conditions.

Deliverables for Task 5

- Meter Installation Schedule
- Customer Information Pieces (Letters, Emails, FAQs, Flyers, Door hangers)
- Weekly Progress Reports
- GIS information and digital pictures of each installation
- Commissioning documents on each book as they are commissioned

Task 6 – Replacement of Post-1985 Residential Water Meters

Our scope for Task 6 will be the same as Task 4. The deliverables for Task 6 will be as follows:

Deliverables for Task 6

- Meter Installation Schedule
- Customer Information Pieces (Letters, Emails, FAQs, Flyers, Door hangers)
- Weekly Progress Reports
- GIS information and digital pictures of each installation
- Commissioning documents on each book as they are commissioned

Task 7 – System Configuration and Billing Integration

Commissioning

As Siemens replaces meters, they will ensure that the meter is reading, and reading correctly. Commissioning occurs as the meters in a billing route are completely replaced. Our field superintendent will work with the Siemens IT person to ensure that 100% of the meters are read within a three day period. Each meter is given a three day period to provide a reading which allows for issues such as heavy rain flooding a meter pit, cars parked over meter boxes, etc...The Siemens IT person and the City IT person will confirm that 100% of the meters have been successfully read, and we will issue an acceptance document for each book that will be signed by Siemens and City personnel.

Not only does the meter need to be read by the manufacturer software and transfer data into the data collectors, but then the collectors must also correctly transfer that data into the City's billing software. Siemens IT person will work with the Tyler Munis representative to ensure that the software program written by Tyler Munis is able to receive the data from the specific meter manufacturer. This is a very important step and is covered in our scope of work for the installation. Siemens has experience with all the major meter manufacturers and knows which ones need special attention or additions in the billing



system software. Siemens will ensure that 100% of the data received is successfully downloaded to the billing software, and that the customer bills will be generated in an accurate manner.

A successful and complete meter installation is defined as any meter installed to manufacturer specifications, free of leaks and where the data has been accurately transferred into utility billing database and reads one or more times electronically on the reading network.

Training

In addition to the commissioning for the metering system, Siemens will provide training to City personnel on the proper use and maintenance of the system. A typical training session is described below, but Siemens is open to tailoring the training to specific request if the City so desires.

- Onsite field training will include at least 3 days, for at least 5 people; offsite software training- to include at least 3 days, for at least 5 people:
 - Training on use of AMI system;
 - Training for field personnel of proper installation and maintenance of system; and
 - Training on use of interface billing software to manufacturer's data collection system.

Deliverables for Task 7

- A commissioning and acceptance document for each route will be completed and signed by the parties upon successful installation as defined above.
- Training for City Staff on the chosen metering system as described above.

7. Proposed Budget

In the past 2 years, Siemens has installed more water meters than any other Energy Services Company (ESCO). In addition, Siemens has developed quality-assurance procedures that minimize wasted time and impact to your community. This scale and experience gives Siemens leverage in procuring materials and a streamlined approach to project execution that will benefit the City of Benicia.

In addition, Siemens' approach is to arrive at a final, firm-fixed price with no change orders. By utilizing a committed, local team, the City can avoid experiencing the problems, change orders and cost overruns that other local cities have experienced when they have engaged with low bid contractors or ESCOs that have to fly in Operational Staff.

Lastly, while the price of the project is one metric, the annual expenses under a financing agreement are a separate metric. Siemens will work with the City to source the correct funding mechanism to help the City achieve its operational financial goals.

One option available to our customers is funding through *Siemens Public, Inc. At the City of Monterey Park, CA, Siemens Public, Inc. provided a tax-exempt municipal lease that saved the City of Monterey Park, CA nearly \$30,000 per year in interest expense compared to the next closest proposed rate.*

Siemens is the only ESCo that provides direct-financing.



In addition to tax-exempt municipal leases, Siemens Financial Services (SFS) can provide concierge-like support to guide the City's Finance Staff through options for on- and off-balance sheet financing if the City so desires. These details were covered in Statement of Qualifications.

The Proposed Budget detail that follows provides the City with its requested "costs and hours for the total project, on a **task-by-task basis**...". The prices for Tasks 1, 2 and 7 are binding. The prices for Tasks 3, 4, 5 and 6 are based on our experience and estimates, however in our experience, the different meter manufacturers, end-point providers and AMI systems have different needs for installation and commissioning, therefore, these are not binding. For example, some AMI systems require more repeaters and collectors and different installation heights. This adds complexity and time.

Lastly, these prices do not include repair cost contingencies. For example, on a recent Project, our Customer provided Siemens with explicit instruction to "use extreme caution and only 'try once to dislodge a stuck meter (union)'." While this instruction was given with the best of intentions to avoid damage and keep costs low, the qualitative nature of the instruction resulted in Siemens installation crews reporting more "stuck meter" calls to the City than was expected. We worked together with the City to re-assess the "try once" approach. While this increased the expenditure of funds from the contingency repair fund, it dramatically reduced the "stuck meter" calls to City Staff and resulted in lower overall costs for the City.



City of Benicia Water Meter Replacement & Advanced Metering Infrastructure Improvement Project

* Price includes lump sum items such as data extraction and studies

Task	Description	Total Hours	Price (w/o Contingency)*
1	Project Development and System Analysis	280	\$ 50,000
	• Notice To Proceed		
	• Kick Off Meeting		
	• Data extraction from existing meter and billing records *		
	• Review of administrative/billing needs		
	• A partial general conditions survey of water meter locations *		
	• Existing meter accuracy survey		
2	Investment Grade Audit and Financing Model	440	\$ 78,600
	• Notice To Proceed		
	• Technology Symposium		
	• Water meter selection		
	• AMI selection		
	• AMI propagation study *		
	• Estimate of life cycle capital and project cost savings		
	• Quantification of financial benefits		
	• Analysis of available financing plans		
	• Analysis of Performance Based Contracting		
3	Construction of Advanced Metering System	360	\$ 64,300 **
	• Notice To Proceed for Construction		
	• Procurement of all construction permits		



Task	Description	Total Hours	Price (w/o Contingency)*
	<ul style="list-style-type: none"> Management of sub-contractors and suppliers 		
	<ul style="list-style-type: none"> Introductory Training of Meters and AMI Solution 		
	<ul style="list-style-type: none"> Installation of data collection units, boosters, repeaters 		
	<ul style="list-style-type: none"> Installation of endpoint module and head-end server 		
	<ul style="list-style-type: none"> Integration of AMI software with Tyler Munis ERP software 		
	<ul style="list-style-type: none"> Task 3 Close Out 		
4	Replacement of Pre-1985 Residential Water Meters	504	\$ 90,000 **
	<ul style="list-style-type: none"> Customer notification 		
	<ul style="list-style-type: none"> Furnish and install meters and meter lids 		
	<ul style="list-style-type: none"> Coordinate meter replacement with Public Works/Water Field 		
	<ul style="list-style-type: none"> Integrate meter identification and meter read with Finance 		
	<ul style="list-style-type: none"> Task 4 Close Out 		
5	Replacement of Commercial and Industrial Water Meters	274	\$ 48,900 **
	<ul style="list-style-type: none"> Customer notification 		
	<ul style="list-style-type: none"> Furnish and install meters and meter lids 		
	<ul style="list-style-type: none"> Coordinate meter replacement with Public Works/Water Field 		
	<ul style="list-style-type: none"> Integrate meter identification and meter read with Finance 		
	<ul style="list-style-type: none"> Task 5 Close Out 		
6	Replacement of Post-1985 Residential Water Meters	447	\$ 79,800
	<ul style="list-style-type: none"> Customer notification 		
	<ul style="list-style-type: none"> Furnish and install meters and meter lids 		
	<ul style="list-style-type: none"> Coordinate meter replacement with Public Works/Water Field 		



Task	Description	Total Hours	Price (w/o Contingency)*
	<ul style="list-style-type: none"> Integrate meter identification and meter read with Finance 		
	<ul style="list-style-type: none"> Task 6 Close Out 		
7	System Configuration and Billing Integration	264	\$ 47,100
	<ul style="list-style-type: none"> Confirmation of full integration with Tyler Munis ERP 		
	<ul style="list-style-type: none"> Confirmation of 100% advanced meter reading 		
	<ul style="list-style-type: none"> Confirmation of 100% meter billing 		
	<ul style="list-style-type: none"> Customer Staff Training 		
	<ul style="list-style-type: none"> Project Close Out 		

***The Project Management Prices displayed for Tasks 3, 4 and 5 are based on our best estimate and experience. Final Prices will be determined after the completion of Tasks 1 & 2 Variables include final selection of meter / end point (ERT), AMI and the possibility of the Unique Technology Option detailed in the Scope of Work Section.*

MINUTES OF THE
REGULAR MEETING – CITY COUNCIL
July 21, 2015

City Council Chambers, City Hall, 250 East L Street, complete proceedings of which are recorded on tape.

I. CALL TO ORDER:

Mayor Patterson called the Closed Session to order at 6:30 p.m.

All Council Members were present.

II. CLOSED SESSION:

A. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to subdivision (b) of
Section 54956.9

Number of potential cases: Five (5)

B. CONFERENCE WITH LABOR NEGOTIATOR
(Government Code Section 54957.6 (a))

Agency negotiators: City Manager, Assistant City Manager and
Senior HR Analyst

Employee organizations: Senior Managers, Middle Management,
Local 1, Benicia Public Service Employees' Association (BSPEA),
Benicia Police Officers Association (BPOA), Benicia Firefighters
Association (BFA), Benicia Dispatchers Association (BDA), Police
Management and Unrepresented

III. CONVENE OPEN SESSION:

A. ROLL CALL

All Council Members were present.

B. PLEDGE OF ALLEGIANCE

Don Wilson led the Pledge of Allegiance.

C. REFERENCE TO THE FUNDAMENTAL RIGHTS OF PUBLIC

IV. ANNOUNCEMENTS/PROCLAMATIONS/ APPOINTMENTS/PRESENTATIONS:

A. ANNOUNCEMENTS

1. Announcement of action taken at Closed Session, if any.

Heather McLaughlin, City Attorney, reported the following actions taken during Closed Session:

II.A - Council gave direction to Staff.

II.B - Council gave direction to Staff.

2. Openings on Boards and Commissions:

Arts & Culture Commission

1 unexpired term

Application due date: July 31, 2015

Civil Service Commission

1 full term

Application due date: July 31, 2015

Community Sustainability Commission

1 unexpired term

Application due date: July 31, 2015

Economic Development Board

2 unexpired term

2 full terms

Application due date: July 31, 2015

Finance Committee

1 unexpired term

1 full term

Application due date: July 31, 2015

Human Services Board

1 unexpired term

Application due date: July 31, 2015

SoITrans Public Advisory Committee

1 full term

Application due date: July 31, 2015

Open Government Commission

1 unexpired term

Application due date: July 31, 2015

3. Mayor's Office Hours:

4. Benicia Arsenal Update

Update from City Attorney

Heather McLaughlin, City Attorney, stated there was nothing new to report.

B. PROCLAMATIONS

1. IN RECOGNITION OF NATIONAL NIGHT OUT - AUGUST 4, 2015

C. APPOINTMENTS

D. PRESENTATIONS

1. PRESENTATION OF ECO-AWARDS

2. QUARTERLY WATER UPDATE

V. ADOPTION OF AGENDA:

On motion of Council Member Hughes, seconded by Council Member Strawbridge, Council adopted the Agenda, as presented, on roll call by the following vote:

Ayes: Patterson, Schwartzman, Campbell, Hughes, Strawbridge
Noes: (None)

VI. OPPORTUNITY FOR PUBLIC COMMENT:

A. WRITTEN COMMENT

Two items received (copies on file).

B. PUBLIC COMMENT

1. Duane Wyler - Mr. Wyler spoke in support of the Valero Crude by Rail project.
2. Donna Beth Weilenman- Ms. Weilenman discussed the Benicia Herald and its history in the City. She asked citizens to read the paper and use it for advertisements when needed.
3. Don Wilson, Plant Manager, Valero Refinery - Mr. Wilson introduced himself to Council, Staff, and the public.

VII. CONSENT CALENDAR:

Council pulled item VII.D for discussion.

On motion of Council Member Hughes, seconded by Council Member Strawbridge, Council adopted the Consent Calendar, as amended, on roll call by the following vote:

Ayes: Patterson, Schwartzman, Campbell, Hughes, Strawbridge
Noes: (None)

- A. APPROVAL OF THE MINUTES OF THE JULY 7, 2015 CITY COUNCIL MEETING**
- B. AWARD OF CONSTRUCTION CONTRACT FOR THE BENICIA INDUSTRIAL PARK BUS HUB PROJECT**

RESOLUTION 15-75 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA ACCEPTING BIDS FOR JUNE 23, 2015 BID OPENING FOR THE BENICIA INDUSTRIAL PARK BUS HUB PROJECT, AWARDING THE CONSTRUCTION CONTRACT TO GRADE TECH, INC. IN THE AMOUNT OF \$1,434,991.00, AUTHORIZING THE CITY MANAGER TO SIGN THE CONTRACT AND ANY CHANGE ORDERS UP TO THE BUDGET AMOUNT ON BEHALF OF THE CITY

- C. DENIAL OF CLAIM AGAINST THE CITY BY RICHARD MATLE AND JILLENE ORR AND REFERRAL TO INSURANCE CARRIER**
- D. SECOND READING AND ADOPTION OF AN AMENDMENT TO CHAPTER 6.32 (ANIMAL KEEPING) OF THE BENICIA MUNICIPAL CODE TO ALLOW BEEKEEPING IN THE CITY OF BENICIA, AFTER A DETERMINATION THAT THE TEXT AMENDMENT IS EXEMPT FROM CEQA**

ORDINANCE 15-4 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BENICIA REPEALING SECTION 6.32.060 (BEE KEEPING) AND ADDING CHAPTER 6.33 (BEEKEEPING) OF TITLE 6 (ANIMAL KEEPING) OF THE BENICIA MUNICIPAL CODE ESTABLISHING STANDARDS AND PERMIT REQUIREMENTS FOR HONEYBEE MANAGEMENT WITHIN THE CITY OF BENICIA

Public Comment:

1. Jeff Brooner - Mr. Brooner spoke in opposition to the proposed ordinance. He discussed concerns regarding beekeeping in residential neighborhoods.

2. Bob Surrat - Mr. Surrat discussed concerns regarding the City's ability to monitor and enforce the code.

On motion of Council Member Strawbridge, seconded by Council Member Hughes, Council adopted Ordinance 15-4, on roll call by the following vote:

Ayes: Patterson, Schwartzman, Campbell, Hughes, Strawbridge
Noes: (None)

- E. **SECOND READING AND ADOPTION OF AN ORDINANCE FOR AN AMENDMENT TO TITLE 8 HEALTH AND SAFETY TO REDUCE THE PERMITTED HOURS OF CONSTRUCTION IN THE CITY OF BENICIA, AFTER DETERMINING THAT THE PROJECT IS EXEMPT FROM CEQA**

ORDINANCE 15-3 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BENICIA AMENDING SECTION 8.20.150 (CONSTRUCTION OF BUILDINGS AND PROJECTS) OF CHAPTER 8.20 (NOISE REGULATIONS) OF TITLE 8 (HEALTH AND SAFETY) OF THE BENICIA MUNICIPAL CODE TO REDUCE THE HOURS OF CONSTRUCTION FOR RESIDENTIAL DISTRICTS, DOWNTOWN MIXED-USE DISTRICTS, AND AREAS WITHIN 500 FEET OF A RESIDENTIAL ZONE OR DOWNTOWN MIXED-USE DISTRICT

- F. **EMERGENCY CONTRACTS FOR CLOCK TOWER ELEVATOR REPLACEMENT**

RESOLUTION 15-76 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA DELEGATING AUTHORITY TO THE CITY MANAGER TO DIRECT THE PURCHASE AND INSTALLATION OF A REPLACEMENT ELEVATOR AND ASSOCIATED IMPROVEMENTS AT THE CLOCK TOWER IN THE AMOUNT OF \$229,900 ALLOCATED FROM THE GENERAL FUND

RESOLUTION 15-77 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA AUTHORIZING THE RENTAL AND INSTALLATION OF A TEMPORARY ELEVATOR AND ASSOCIATED IMPROVEMENTS AT THE CLOCK TOWER IN THE AMOUNT OF \$71,232 ALLOCATED FROM THE GENERAL FUND

- G. **Approval to waive the reading of all ordinances introduced and adopted pursuant to this agenda.**

VIII. BUSINESS ITEMS:

A. DROUGHT SURCHARGE UPDATE

Karin Schnaider, Finance Director, reviewed the staff report.

Mayor Patterson and Staff discussed the issue of the surcharge being volumetric, the issue of true-ups, fixed costs, ongoing conservation efforts (and the impacts of those costs), and water stewardship.

Council Member Campbell and Staff discussed what happens when the drought is over, and when the City would stop the surcharge.

Mayor Patterson requested Staff use units that the public could understand when preparing the staff reports. Staff confirmed that they were using the same units of measure that are listed on the water bills so as not to confuse the public.

Public Comment:

None

B. REQUEST FOR PROPOSALS FOR WATER METER REPLACEMENT PROGRAM

Graham Wadsworth, Public Works Director, reviewed the staff report.

Council Member Schwartzman and Staff discussed the timing of the equipment installation, the typical lifespan of the proposed meters (15 years or a million gallons), the total cost (approximately \$5 million), and how long it would take the City to recoup the cost.

Vice Mayor Hughes and Staff discussed other cities that had transitioned to the proposed meters, and the basis for concluding the meters were responsible for the unaccounted water as opposed to leaks.

Council Member Campbell and Staff discussed the proposed cost of the project, how the City would pay for the meter replacement, and the need for more concrete numbers regarding how long it would take to recoup the cost.

Public Comment:

1. Greg Gartrell - Mr. Gartrell spoke in support of the proposed project. He discussed the challenges of finding whether the problems are caused by unmetered water or leaks. He encouraged Staff to look for grants to help pay for the project.

Mayor Patterson and Staff discussed the issue of grants, and sub meters for the

landscape areas of commercial sites.

Vice Mayor Hughes and Staff discussed the issues of increased revenue once the new meters are installed.

Council Member Strawbridge and Staff discussed the recent Grand Jury report on cities not being able to track water, doing a meter replacement program throughout Solano County (quantity driving down the cost of the meters), and being able to take advantage of a county grant program.

Mayor Patterson and Staff discussed what financing mechanisms other cities had used for similar projects, and concern regarding the consultant's lack of experience with water districts in the Bay Area.

Mayor Patterson suggested tweaking the request for proposal (RFP) to make sure we are sending signals to the firms that we are looking for financing mechanisms that go beyond just a loan. There could be financing mechanisms that tie in with some other things that we have going on in the City with energy conservation, etc. She provided some language earlier today that might convey that. If there is general agreement that the financing mechanism that we are asking for in the RFP - that there be a more detailed description of the choices that might be considered for financing the project. We are asking them to consider that. She wanted to emphasize that there should be more of a discussion about what the possibilities are to encourage some creative thinking.

Karin Schnaider, Finance Director, clarified that this was mainly to get the RFP out. There will be a request for quotes (RFQ) specifically for financing once we get the RFP back. At that time we can ask for these vendors and other vendors to provide optional funding like the Mayor was asking for. This is not quite the mechanism for financing. It is just to allow the RFP's to say yes, we provide funding, so that when we send out an RFQ, it will go out to everyone, and anyone will be allowed to respond with RFQ's for financing once we approve the scope of the project.

Mayor Patterson discussed the difference between planners and finance people. All she was looking for were some kinds of approaches that we have used for financing. She was not looking for an actual finance plan. Ideas – what do they have experience in, what are they thinking about, what's out there, what is cutting edge, etc.

Brad Kilger, City Manager, clarified that Staff wanted to make sure that when the companies are giving us options on financing, they are looking beyond tradition and seeing if there are innovative ways that can help us achieve our goals and possibly save money.

Mayor Patterson said there might be a tie-in with some of the City's energy conservation programs. So, if Staff can just do that for the RFP. She asked if there needed to be a vote on this issue.

Mr. Kilger confirmed Staff would need to get Council's consensus.

Council Member Hughes stated he was very comfortable with the way Mr. Kilger just phrased it - fairly general.

Mayor Patterson stated that without objection, there would be very general language that we are looking for what the City Manager said.

Mayor Patterson stated this would be a minute action confirming Council's concurrence with the proposed RFP for the water meter replacement program.

Heather McLaughlin, City Attorney, clarified that Council did not need to vote on this item. The action was only to review and concur, and it looked like all Council Members concurred.

Mayor Patterson stated that there was no objection to the concurrence with the proposed RFP, modified as directed to Staff.

C. Council Member Committee Reports:

- 1. Mayor's Committee Meeting.(Mayor Patterson) Next Meeting Date: September 16, 2015**
- 2. Association of Bay Area Governments (ABAG) <http://www.abag.ca.gov/>. (Vice Mayor Hughes and Council Member Schwartzman) Next Meeting Date: TBD**
- 3. Finance Committee. (Vice Mayor Hughes and Council Member Strawbridge) Next Meeting Date: July 23, 2015**
- 4. League of California Cities. (Mayor Patterson and Vice Mayor Hughes) Next Meeting Date: July 29, 2015**
- 5. School Liaison Committee. (Vice Mayor Hughes and Council Members Strawbridge) Next Meeting Date: September 3, 2015**
- 6. Sky Valley Open Space Committee. (Vice Mayor Hughes and Council Member Campbell) Next Meeting Date: TBD**
- 7. Solano EDC Board of Directors. (Vice Mayor Hughes and Council Member Strawbridge) Next Meeting Date: September 10, 2015**
- 8. Solano Transportation Authority (STA). <http://www.sta.ca.gov/> (Mayor Patterson and Council Member Campbell) Next Meeting Date: September 9, 2015**

9. **Solano Water Authority-Solano County Water Agency and Delta Committee. <http://www.scwa2.com/> (Mayor Patterson, Vice Mayor Hughes and Council Member Campbell) Next Meeting Date: August 13, 2015**
10. **Traffic, Pedestrian and Bicycle Safety Committee. (Vice Mayor Hughes and Council Member Strawbridge) Next Meeting Date: July 16, 2015**
11. **Tri-City and County Cooperative Planning Group. (Vice Mayor Hughes and Council Member Schwartzman) Next Meeting Date: July 27, 2015**
12. **Valero Community Advisory Panel (CAP). (Council Member Campbell and Council Member Schwartzman) Next Meeting Date: TBD**
13. **Youth Action Coalition. (Vice Mayor Hughes and Council Member Strawbridge) Next Meeting Date: August 26, 2015**
14. **ABAG-CAL FED Task Force-Bay Area Water Forum. <http://www.baywaterforum.org/> (Mayor Patterson) Next Meeting Date: TBD**
15. **SOLTRANS Joint Powers Authority. (Mayor Patterson, Vice Mayor Hughes and Council Member Campbell) Next Meeting Date: September 17, 2015**
16. **Marin Clean Energy (MCE). (Council Member Schwartzman and Council Member Strawbridge) Next Meeting: August 20, 2015**

IX. ADJOURNMENT:

Mayor Patterson adjourned the meeting at 9:30 p.m.

AGENDA ITEM
CITY COUNCIL MEETING DATE - DECEMBER 1, 2015
BUSINESS ITEMS

DATE : November 18, 2015

TO : City Council

FROM : City Manager

SUBJECT : **COUNCILMEMBER SCHWARTZMAN'S REQUEST TO AGENDIZE DISCUSSION OF THE POTENTIAL METROPOLITAN TRANSIT COMMISSION/ASSOCIATION OF BAY AREA GOVERNMENTS (MTC/ABAG) MERGER**

RECOMMENDATION:

Consider Councilmember Schwartzman's request to agendize a discussion of the potential MTC/ABAG merger.

EXECUTIVE SUMMARY:

The potential merger of MTC/ABAG may have serious consequences regarding local representation and land use issues. Councilmember Schwartzman wishes to agendize the matter for discussion, to educate the Council and the public on the matter and to consider potential input to MTC/ABAG from the City.

Attachments:

- Council member request to agendize
- Letter from ABAG President, October 29, 2015

APPENDIX A: COUNCIL MEMBER REQUESTED AGENDA ITEM

Requested by Council Member Schwartzman

Desired Initial Council Meeting Date: As soon as possible

Desired Date for Second Step or Policy Calendar Review: Shortly thereafter

Deadline for Action, if any: _____

Problem/Issue/Idea Name: Merger of MTC and ABAG

Description of Problem/Issue/Idea: The merger of MTC and ABAG has some potentially serious consequences specifically reducing city representation regarding land use issues. Discussion is requested to educate the Council and the public with a possible letter to MTC to follow.

COUNCIL DIRECTION

- No Further Action
- Schedule for Second Step on _____
- Schedule for Policy Calendar Review on _____
- Refer to: Staff _____
 Commission _____
 Board _____
 Committee _____

Date Due: _____

October 29, 2015

Dear Local Elected Officials,

I am pleased to report that yesterday, Wednesday October 28, 2015, our ABAG Administrative Committee and the MTC Commission voted unanimously to proceed with a study of a full comprehensive merger of our two regional agencies. The original MTC proposal has been put on hold and all energies will be dedicated to this effort. This is a major milestone in our regional planning efforts. I would like to thank Supervisor Dave Cortese, Chair of MTC and ABAG Executive Board member, for leading this effort.

Key points from the resolutions:

- MTC shall provide the remaining six months of FY 2015-16 planning fund with no strings attached.
- MTC and ABAG shall retain a consultant to conduct a merger study and a merger implementation plan of both agencies.
- The study will be directed by the Joint ABAG Administrative Committee and MTC Planning Committee.
- Original proposal to transfer ABAG planners to MTC is put on hold during the merger study.

This means that the hard work begins today, discussing and defining the relationship between the two agencies in a collaborative, positive manner. We have many issues of governance, planning tasks, and organization to define. We all need to be prepared for both challenges and opportunities that we will all face during the next eight months. This process will require not only MTC and ABAG Boards but local jurisdictions and stakeholders participation if we are to create an agency that can truly serve the Bay Area.

Thank you for your engagement and contributions that allowed us to come to this point. Your letters, statements and messages have created a strong voice on the value of local collaboration and dialogue. We are here because of your input.

Cordially,

Julie

Julie Pierce
ABAG President

