



# Helendale Community Services District

**BOARD OF DIRECTORS MEETING**  
June 15, 2017 at 6:30 PM  
26540 Vista Road, Suite C, Helendale, CA 92342

## Call to Order - Pledge of Allegiance

### 1. Approval of Agenda

2. **Public Participation** - *Anyone wishing to address any matter pertaining to District business listed on the agenda or not, may do so at this time. However, the Board of Directors may not take action on items that are not on the agenda. The public comment period may be limited to three (3) minutes per person. Any member may speak on any agenda item at the time the agenda item is discussed by the Board of Directors.*

### 3. Consent Items

- Approval of Minutes: June 1, 2017, Regular Board Meeting
- Bills Paid and Presented for Approval

### 4. Reports

- Directors' Reports
- Park Committee Report
- General Manager's Report

## Public Hearing

5. Public Hearing to Receive Comment and Possible Adoption of Resolution No. 2017- 11: A Resolution of the Board of Directors of the Helendale Community Services District Increasing Its Water Service Charges

## Discussion Items

- Discussion and Possible Action Regarding Approval of a Contract with the Mattress Recycling Council, Inc. for the Landfill Diversion and Recycling of Mattresses and Box Springs from the Helendale Community
- Discussion and Possible Action Regarding Approval of Entering into a Professional Services Agreement with Fedak and Brown for Audit Services for Fiscal Years 2017 Through 2019
- Discussion and Possible Action Regarding Approving an Increase in the Contract with Mike Keith Associates to Include ADA Compliant Sidewalks between Handicap Parking Area and Picnic Shelters

## Other Business

9. Requested items for next or future agendas (Directors and Staff only)

## 10. Adjournment

*Pursuant to Government Code Section 54954.2(a), any request for a disability-related modification or accommodation, including auxiliary aids or services, that is sought in order to participate in the above agenda'd public meeting should be directed to the District's General Manager's office at (760) 951-0006 at least 24 hours prior to said meeting. The regular session of the Board meeting will be recorded. Recordings of the Board meetings are kept for the Clerk of the Board's convenience. These recordings are not the official minutes of the Board meetings.*

## Providing:

- Water
- Wastewater
- Park & Recreation
- Solid Waste Management
- Street lighting
- Graffiti Abatement for the Helendale Community

## OFFICE HOURS:

Monday-Friday  
8:00 – 5:30 p.m.

## PHONE:

760-951-0006

## FAX:

760-951-0046

## ADDRESS:

26540 Vista Road  
Suite B  
Helendale, CA  
92342

## MAILING

### ADDRESS:

PO BOX 359  
Helendale, CA  
92342

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at:

[www.helendalecsd.org](http://www.helendalecsd.org)



HELENDALE COMMUNITY SERVICES DISTRICT  
REGULAR BOARD MEETING MINUTES  
June 1, 2017  
26540 Vista Road, Suite C. Helendale, CA 92342

**CALL TO ORDER AND PLEDGE OF ALLEGIANCE** – The Regular Meeting of the Helendale CSD Board of Directors was called to order at 6:31 pm by President Clark after which the Pledge of Allegiance was recited.

**Present:** President, Ron Clark; Vice President, Tim Smith; Secretary, Sandy Haas; Director, Craig Schneider; Director, Henry Spiller  
**Absent:** None  
**Staff:** Kimberly Cox, General Manager; Cheryl Vermette, Program Coordinator; Craig Carlson, Acting Water Operations Manager  
**Consultants:** Steve Kennedy, Legal Counsel; Sunny Kim, RAMS  
**Audience:** There were four (4) audience members present.

**1. Approval of Agenda**

**Action:** Director Schneider made the motion to approve the Agenda as presented. Director Smith seconded the motion. The motion was unanimously approved by the Board members present.

**2. Public Participation**

None

**3. Consent Items**

- a. Approval of Minutes: May 18, 2017 Regular Board Meeting
- b. Bills Paid and Presented for Approval

**Action:** Director Smith made the motion to approve the Consent Items as presented. Director Haas seconded the motion. The motion was unanimously approved by the Board members present.

**4. Reports**

- a. Director's Reports – Director Schneider reported that he attended an ABC's of Water presentation at Mojave Water Agency.
- b. General Manager Report – General Manager Cox gave the GM Report including information on recent water rights lease. Acting Water Operations Manager Carlson gave the Water report, including activity over the past month for sampling, installation of new meters, an update on Well 1A, and a recent break in at the South Tank. Program Coordinator Vermette gave the Program Report which included information on Bulky Item Pick Ups, recycling and refuse. She also talked about the upcoming Refuse to be a Victim and Dr. Talk workshops.

**Public Hearing**

- 5. Public Hearing to Receive Comment and Possible Adoption of Resolution 2017-10; a Resolution of the Board of Directors of the Helendale Community Services District Approving and Adopting the 2018 Annual Budget and Authorizing Appropriations Therefrom**

**Discussion:** President Clark opened the Public Hearing at 7:10 pm. There were no comments from the public. The Public Hearing was closed at 7:10 pm.

**Action:** Director Smith made the motion to approve Resolution 2017-10; a Resolution of the Board of Directors of the Helendale Community Services District Approving and Adopting the 2018 Annual Budget and Authorizing Appropriations Therefrom, Director Spiller seconded the motion, the motion was approved by the following 5 yes – 0 no vote. Director Schneider – Yes; Director Haas – Yes; President Clark – Yes; Vice President Smith – Yes, Director Spiller – Yes.

**Discussion Items**

6. Discussion Only Regarding a Proposed Increase in the District's Water Rates as Outlined in the Rate Analysis by Bartle Wells Associates

**Discussion:** General Manager Cox presented the proposed water rate increase. The Public Hearing for the proposed water rate increase will be on June 15, 2017.

**Action:** There was no action on this item.

7. Discussion and Possible Action Regarding Adoption of Resolution 2017-11: A Resolution of the Board of Directors of the Helendale Community Services District Initiating Procedures to Continue Collection of Water and Sewer Standby Fees for Fiscal Year 2018

**Action:** Director Spiller made the motion to Adopt Resolution 2017-11: A Resolution of the Board of Directors of the Helendale Community Services District Initiating Procedures to Continue Collection of Water and Sewer Standby Fees for Fiscal Year 2018. Director Haas seconded the motion, the motion was approved by the following 5 yes – 0 no vote. Director Schneider – Yes; Director Haas – Yes; President Clark – Yes; Vice President Smith – Yes, Director Spiller – Yes.

8. Discussion and Possible Action Regarding Adoption of Resolution 2017-12: A Resolution of the Board of Directors of the Helendale Community Services District Establishing the Appropriations Limit for Fiscal Year 2018 Pursuant to Article XIII B of the California State Constitution

**Action:** Director Schneider made the motion to approve Resolution 2017-12: A Resolution of the Board of Directors of the Helendale Community Services District Establishing the Appropriations Limit for Fiscal Year 2018 Pursuant to Article XIII B of the California State Constitution. Director Smith seconded the motion, the motion was approved by the following 5 yes – 0 no vote. Director Schneider – Yes; Director Haas – Yes;

**Other Business**

9. Requested items for next or future agenda items (Directors and Staff Only)

Director Schneider requested an update from UIA sometime later this year.

10. Adjournment

**Action:** President Ron Clark adjourned the meeting at 7:39 pm.

Submitted by:

Approved By:

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Ron Clark, President

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Sandy Haas, Secretary

*The Board actions represent decisions of the Helendale Community Services District Board of Directors. A digital voice recording and copy of the PowerPoint presentation are available upon request at the Helendale GSD office.*



# Helendale Community Services District

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**Date:** June 15, 2017  
**TO:** Board of Directors  
**FROM:** Kimberly Cox, General Manager  
**BY:** Sharon Kreinop, Senior Account Specialist  
**SUBJECT:** Agenda item # 3 b.  
Consent Item: Bills Paid and Presented for Approval

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**STAFF RECOMMENDATION:**  
Report Only. Receive and File

**STAFF REPORT:**

Staff issued 38 checks for the period May 26 through June 12, 2017 totaling \$118,621.61. Checks issued include payments to Mike Keith & Associates - \$20,000 for park picnic structures; Burrtec Waste Ind. - \$47,170.68 for waste disposal; Nobel Systems - \$12,200.00 for GIS System; Brunick, McElhaney & Kennedy - \$4,925.00 for legal services; FL Smidth - \$ 9,,852.58 for WWTP Clarifier.

Total cash available:	<u>6/12/17</u>	<u>5/25/17</u>
Cash	\$ 4,392,528.62	\$ 4,211,478.90
Checks Issued	\$ 118,621.61	\$ 103,041.75

Investment Report

The Investment Report shows the status of invested District funds. The current interest rate is 1.07% for CalTRUST Short-Term and is 1.28% for Medium-Term Investments, 0.925 % for LAIF, and 0.25% for the CBB Sweep Account for May 2017. Interest earned in May 2017 on the CalTRUST investments and the CBB Sweep Account is \$3,888.55.



Helendale CSD

# Bill Paid and Presented or Approval By (None)

Payment Dates 05/26/2017 - 06/12/2017

Payment Number	Payment Date	Vendor Name	Description (Payable)	Account Number	Account Name	(None)	Amount
19287	05/30/2017	Mike Keith & Associates	Picnic Shelter Concrete	05-170000	Park CIP		12,500.00
19292	06/01/2017	Airgas USA, LLC	Fleet Maint	01-554600-00-0	Small Tools		93.37
19293	06/01/2017	Burrtec Waste Industries, Inc	Residential Services Invoice -	06-211000	Due to Solid Waste Hauler		37,667.94
19293	06/01/2017	Burrtec Waste Industries, Inc	Residential Disposal Billing -	06-523500-00-0	SB County Disposal Fees		9,502.74
19294	06/01/2017	CA-NV Section, AWWA	Cross-connection Specialist R	01-524500-00-0	Education and Training		80.00
19295	06/01/2017	Cazcom, Inc.	Labor to Repair Remote Alar	10-521500-00-0	Contractual Services		120.00
19296	06/01/2017	Craig Schneider	Director Fees - May 2017	10-522500-00-0	Directors' Fees		750.00
19296	06/01/2017	Craig Schneider	Director Fees - May 2017	10-552700-00-0	Mileage and Travel Reimburs		28.56
19297	06/01/2017	Desert Community Bank	Petty Cash Reimbursement	01-524500-00-0	Education and Training		40.00
19297	06/01/2017	Desert Community Bank	Petty Cash Reimbursement	05-541000-10-1	Operations & Maintenance -		28.03
19297	06/01/2017	Desert Community Bank	Petty Cash Reimbursement	05-541000-20-2	Operations & Maintenance -		8.62
19297	06/01/2017	Desert Community Bank	Petty Cash Reimbursement	05-545001-00-0	Vehicle Fuel		38.67
19297	06/01/2017	Desert Community Bank	Petty Cash Reimbursement	05-550000-00-0	Supplies - Basketball		50.00
19297	06/01/2017	Desert Community Bank	Petty Cash Reimbursement	05-559000-00-0	Operating Supplies		19.34
19297	06/01/2017	Desert Community Bank	Petty Cash Reimbursement	10-522510-00-0	Board Meeting Supplies		27.98
19297	06/01/2017	Desert Community Bank	Petty Cash Reimbursement	10-524500-00-0	Education and Training		36.00
19297	06/01/2017	Desert Community Bank	Petty Cash Reimbursement	10-553000-00-0	Operating Supplies - Office		6.00
19297	06/01/2017	Desert Community Bank	Petty Cash Reimbursement	10-553200-00-0	Postage & Delivery		1.61
19297	06/01/2017	Desert Community Bank	Petty Cash Reimbursement	10-556800-00-0	Employee Benefit & Morale		4.18
19298	06/01/2017	Frontier Communications	Admin - 760-951-0006	10-532500-00-0	Telephone		75.50
19299	06/01/2017	Grainger	Farm Duty Mtr, Capstr, Telf	05-541000-00-0	Operations and Maintenance		372.56
19299	06/01/2017	Grainger	Park Motor Oil	05-545000-00-0	Vehicle Maintenance		435.62
19300	06/01/2017	Henry Spiller	Director Fees - May 2017	10-522500-00-0	Directors' Fees		750.00
19301	06/01/2017	Michelle Kirschbaum	Park Conex Storage Containe	05-541000-00-0	Operations and Maintenance		2,200.00
19302	06/01/2017	NOBEL Systems	GIS Annual Subscription 7-1-	01-140000	Prepaid Expense		5,400.00
19302	06/01/2017	NOBEL Systems	GIS Annual Subscription 7-1-	02-140000	Prepaid Expense		1,800.00
19302	06/01/2017	NOBEL Systems	GIS Annual Subscription 7-1-	10-140000	Prepaid Expense		5,000.00
19303	06/01/2017	Print Mart	Thrift Store Punch Cards & D	05-541000-10-1	Operations & Maintenance -		55.72
19303	06/01/2017	Print Mart	Thrift Store Punch Cards & D	05-553000-10-1	Operating Supplies - Thrift St		75.41
19304	06/01/2017	Ron Clark	Director Fees	10-522500-00-0	Directors' Fees		625.00
19305	06/01/2017	Ryan Herco Flow Solutions	Valve Injection 3/8 VC Flexco	01-541000-00-0	Operations and Maintenance		255.66
19306	06/01/2017	Shavon Gutierrez	Microsoft Office 365 & Excel	10-524500-00-0	Education and Training		139.80
19307	06/01/2017	Shred-it USA LLC	Shred Services	10-521500-00-0	Contractual Services		57.42
19308	06/01/2017	Sierra Analytical	Lab Analysis	02-521000-00-0	Laboratory Analysis		264.00
19308	06/01/2017	Sierra Analytical	Lab Analysis	02-521000-00-0	Laboratory Analysis		854.00
19308	06/01/2017	Sierra Analytical	Lab Analysis	02-521000-00-0	Laboratory Analysis		546.00
19309	06/01/2017	Silver Lakes Hardware	Misc Charges	01-541000-00-0	Operations and Maintenance		101.60
19309	06/01/2017	Silver Lakes Hardware	Misc Charges	02-541000-00-0	Operations and Maintenance		50.06

Payment Number	Payment Date	Vendor Name	Description (Payable)	Account Number	Account Name	(None)	Amount
19309	06/01/2017	Silver Lakes Hardware	Misc Charges	05-541000-00-0	Operations and Maintenance		161.55
19309	06/01/2017	Silver Lakes Hardware	Misc Charges	05-541000-10-1	Operations & Maintenance -		13.96
19310	06/01/2017	Southwest Gas Company	4-Plex	05-531001-22-2	Utilities - Gas - Wild Rd		61.78
19310	06/01/2017	Southwest Gas Company	Community Center	05-531001-20-2	Utilities - Gas - Community C		26.59
19310	06/01/2017	Southwest Gas Company	Water Shop	01-531001-00-0	Utilities - Gas		20.59
19311	06/01/2017	Southwest Gas Company	WWTP	02-531001-00-0	Utilities - Gas		27.28
19311	06/01/2017	Staples Office Supplies	Misc Charges	01-553000-00-0	Office Supplies		10.76
19311	06/01/2017	Staples Office Supplies	Misc Charges	10-522510-00-0	Board Meeting Supplies		37.22
19312	06/01/2017	Staples Office Supplies	Misc Charges	10-553000-00-0	Operating Supplies - Office		265.82
19312	06/01/2017	Tim Smith	Director Fees	10-522500-00-0	Directors' Fees		750.00
19313	06/01/2017	Trench Shoring Company	NUCA Competent Person Tra	01-524500-00-0	Education and Training		150.00
19314	06/01/2017	UJA Ultimate Internet Access	VOIP Phone Services 6-1-17 -	10-532500-00-0	Telephone		675.82
19315	06/01/2017	Vincent Pinkney	Flag Football Refund	05-430001-00-0	Fee for Flag Football League		30.00
19316	06/01/2017	CDL of California	CDL Class for Jonathan Escob	01-524500-00-0	Education and Training		2,000.00
19318	06/07/2017	Apple Valley Communication	Monthly Security & Fire Alar	01-521500-00-0	Contractual Services		35.00
19318	06/07/2017	Apple Valley Communication	Monthly Security & Fire Alar	02-521500-00-0	Contractual Services		35.00
19318	06/07/2017	Apple Valley Communication	Monthly Security & Fire Alar	05-521500-00-0	Contractual Services		60.00
19319	06/07/2017	AVCOM Services Inc.	District Answering Services	10-521500-00-0	Contractual Services		100.00
19320	06/07/2017	Bob's Tire Service	Wheel Alignment Unit # 304	02-545000-00-0	Vehicle Maintenance		89.99
19321	06/07/2017	Brunick, McElhaney & Kenne	Legal Services	10-522000-00-0	Legal Services		4,925.00
19322	06/07/2017	Harbor Freight Tools	12" Digital Clipper	01-554600-00-0	Small Tools		53.86
19323	06/07/2017	Helendale School District	Earth Day Student Bussing	06-553555-00-0	Public Outreach		148.79
19324	06/07/2017	Mike Keith & Associates	Reimbursement - SB County	05-170000	Park CIP		460.50
19325	06/07/2017	Mobile Occupational Service	Pre-Employment Testing - B.	10-524300-00-0	Employment Expense		35.00
19326	06/07/2017	Rebecca Gonzalez	Office Cleaning	10-521500-00-0	Contractual Services		165.00
19326	06/07/2017	Rebecca Gonzalez	Office Cleaning	10-521500-00-0	Contractual Services		165.00
19327	06/07/2017	Shavon Gutierrez	Reimbursement for Excel Wo	10-524500-00-0	Education and Training		68.32
19328	06/07/2017	USA Blue Book	Operating Supplies	02-553000-00-0	Operating Supplies		57.32
19328	06/07/2017	USA Blue Book	Operating Supplies	02-553000-00-0	Operating Supplies		57.32
19328	06/07/2017	USA Blue Book	Operating Supplies	02-553000-00-0	Operating Supplies		127.68
19328	06/07/2017	USA Blue Book	Operating Supplies	02-553000-00-0	Operating Supplies		181.70
19328	06/07/2017	USA Blue Book	Operating Supplies	02-553000-00-0	Operating Supplies		368.60
19328	06/07/2017	USA Blue Book	Operating Supplies	02-553000-00-0	Operating Supplies		331.25
19328	06/07/2017	USA Blue Book	Operating Supplies	02-553000-00-0	Operating Supplies		82.21
19328	06/07/2017	USA Blue Book	Operating Supplies	02-553000-00-0	Operating Supplies		57.32
19328	06/07/2017	USA Blue Book	Operating Supplies	02-553000-00-0	Operating Supplies		43.61
19328	06/07/2017	USA Blue Book	Operating Supplies	02-553000-00-0	Operating Supplies		184.62
19329	06/07/2017	FLSmidth	Replacemet Parts for WWTP	02-541000-00-0	Operating Supplies		64.65
19329	06/07/2017	FLSmidth	Replacemet Parts for WWTP	02-541000-00-0	Operations and Maintenance		1,495.57
19329	06/07/2017	FLSmidth	Replacemet Parts for WWTP	02-541000-00-0	Operations and Maintenance		989.15
19329	06/07/2017	FLSmidth	Replacemet Parts for WWTP	02-541000-00-0	Operations and Maintenance		1,545.14
19329	06/07/2017	FLSmidth	Replacemet Parts for WWTP	02-541000-00-0	Operations and Maintenance		1,842.53
19329	06/07/2017	FLSmidth	Replacemet Parts for WWTP	02-541000-00-0	Operations and Maintenance		824.29
19329	06/07/2017	FLSmidth	Replacemet Parts for WWTP	02-541000-00-0	Operations and Maintenance		286.62
19329	06/07/2017	FLSmidth	Replacemet Parts for WWTP	02-541000-00-0	Operations and Maintenance		118.53

Bill Paid and Presented or Approval

Payment Number	Payment Date	Vendor Name	Description (Payable)	Account Number	Account Name	Amount
19329	06/07/2017	FLSmith	Replacemet Parts for WWTP	02-541000-00-0	Operations and Maintenance	488.00
19329	06/07/2017	FLSmith	Replacemet Parts for WWTP	02-541000-00-0	Operations and Maintenance	2,198.10
19330	06/07/2017	Beck Oil	Fuel Cardlock System	02-170000	CIP - Wastewater	9,200.50
19331	06/07/2017	Mike Keith & Associates	Picnic Shelter Concrete	05-170000	Park CIP	7,500.00
<b>Grand Total:</b>						<b>118,621.61</b>

# Report Summary

## Fund Summary

Fund	Payment Amount
01 - Water Operations	8,240.84
02 - Sewer Operations	24,153.72
05 - Parks & Recreation	24,098.35
06 - Solid Waste Disposal	47,319.47
10 - Administration	14,809.23
<b>Grand Total:</b>	<b>118,621.61</b>

## Account Summary

Account Number	Account Name	Payment Amount
01-140000	Prepaid Expense	5,400.00
01-521500-00-0	Contractual Services	35.00
01-524500-00-0	Education and Training	2,270.00
01-531001-00-0	Utilities - Gas	20.59
01-541000-00-0	Operations and Mainten	357.26
01-553500-00-0	Office Supplies	10.76
01-554600-00-0	Small Tools	147.23
02-140000	Prepaid Expense	1,800.00
02-170000	CIP - Wastewater	9,200.50
02-521000-00-0	Laboratory Analysis	1,664.00
02-521500-00-0	Contractual Services	35.00
02-531001-00-0	Utilities - Gas	27.28
02-541000-00-0	Operations and Mainten	9,902.64
02-545000-00-0	Vehicle Maintenance	89.99
02-553000-00-0	Operating Supplies	1,434.31
05-170000	Park CIP	20,460.50
05-430001-00-0	Fee for Flag Football Lea	30.00
05-521500-00-0	Contractual Services	60.00
05-531001-20-2	Utilities - Gas - Communi	26.59
05-531001-22-2	Utilities - Gas - Wild Rd	61.78
05-541000-00-0	Operations and Mainten	2,734.11
05-541000-10-1	Operations & Maintenan	97.71
05-541000-20-2	Operation & Maintenan	8.62
05-545000-00-0	Vehicle Maintenance	435.62
05-545001-00-0	Vehicle Fuel	38.67
05-550000-00-0	Supplies -Basketball	50.00
05-553000-00-0	Operating Supplies	19.34
05-553000-10-1	Operating Supplies - Thri	75.41
06-211000	Due to Solid Waste Haul	37,667.94
06-523500-00-0	SB County Disposal Fees	9,502.74
06-553555-00-0	Public Outreach	148.79



**Account Summary**

Account Number	Account Name	Payment Amount
10-140000	Prepaid Expense	5,000.00
10-521500-00-0	Contractual Services	607.42
10-522000-00-0	Legal Services	4,925.00
10-522500-00-0	Directors' Fees	2,875.00
10-522510-00-0	Board Meeting Supplies	65.20
10-524300-00-0	Employment Expense	35.00
10-524500-00-0	Education and Training	244.12
10-532500-00-0	Telephone	751.32
10-552700-00-0	Mileage and Travel Reim	28.56
10-553000-00-0	Operating Supplies - Off	271.82
10-553200-00-0	Postage & Delivery	1.61
10-556800-00-0	Employee Benefit & Mor	4.18
	<b>Grand Total:</b>	<b>118,621.61</b>

**Project Account Summary**

Project Account Key	Payment Amount
**None**	88,960.61
2002	9,200.50
5013	20,460.50
	<b>118,621.61</b>



# Helendale Community Services District

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Date: June 15, 2017  
TO: Board of Directors  
FROM: Kimberly Cox, General Manager  
SUBJECT: Agenda item #5. – Public Hearing  
Discussion and Possible Adoption of Resolution 2017-11; A Resolution of the Board of Directors of Helendale Community Services District Increasing Its Water Service Charges

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## **Staff Recommendation**

Receive Public comment.

## **Staff Report**

For over 15 months the District Staff has made various presentations to the Board related to Water Department revenue, expenditures, capital improvement and equipment needs. In March of 2016, the Board commissioned a financial analysis of the Water Department revenue to determine if an increase in rates was necessary. The Board extended a professional services agreement to the firm of Bartle Wells Associates; a firm that specializes in financial evaluations of public agencies.

The Board considered more than fifteen various scenarios and requested that the April 24<sup>th</sup> analysis be circulated as the basis for a proposed rate increase. The rate increase notification has been circulated for public comment and is provided as an attachment to the proposed resolution for your review and discussion.

Staff will make a detailed presentation for the Board and the public prior to the public hearing.

To date the District has received six letters objecting to the proposed rate increase. The Board will receive any additional written or verbal comments during the public hearing. After the hearing District General Counsel will advise the Board if a majority protest threshold has been reached. The Board will then be asked to make a determination based upon all of the factors presented.

## **Fiscal Impact**

The projected impact is evaluated in the attached study.

**Letters**  
**Objecting to**  
**Proposed Rate Increase**



4-24-17

Helendale Community  
(Water) Service District

Subject: Reference your notice of an increase  
in water rates

As a Homeowner in Scher Lake (Helendale)  
13807 Rivers Edge Rd, I strongly  
protest the increase you propose in  
water rates

you state all kinds of operational  
expenses. However, the "High" rates  
you presently charge should cover  
these requirements. you need to be  
looking at "Cost Savings" versus  
being like the government (Spend - Spend)  
out paying out the rates, etc -

Many of us are on Fixed incomes  
& can't afford these increases -

Del Robert  
13807 Rivers Edge Rd  
Helendale, Cal  
92342

06/09/2017

Miguel & Victoria Guerrero  
27392 Outrigger Ln  
P.O. Box 427  
Helendale, CA, 92342  
Parcel: 0465-373-15-0-000



Helendale Community Services District  
Attention: Clerk of the Board  
P. O. Box 359  
Helendale, CA, 92342

To: Helendale Community Services District  
Subject: Protest Against Proposed Water Rate Increase

Dear Board:

I write to you today to protest against the proposed water rate increase, particularly the proposed facility and volumetric rate. I was informed through a formal notification in the mail. I understand that there will be a public hearing in June 15, 2017 at the Helendale CSD Board Room. I also understand that if written protests against the proposed water rate increase are presented by a majority of owners or ratepayers subject to the increase, the District shall not impose the increase. We recommend downsizing and workforce reduction strategy.

Sincerely,

Handwritten signatures of Miguel and Victoria Guerrero in cursive script. The signature of Miguel is on top, and Victoria's is below it. Below the signatures, the names "Miguel &amp; Victoria Guerrero" are printed in a standard font.

Miguel & Victoria Guerrero

27392 Outrigger Ln,  
PO Box 427  
Helendale , CA 92342



MAY 12-17

WE ARE JIM & DIANA KEENER

OUR ADDRESS IS 15040 WILDFLOWER LANE

ACCOUNT NUMBER 16-141-01000

WE ARE TOTALY AGAINST THE INCREASE  
IN WATER RATES. WE HAVE SPOKEN TO  
SEVERAL PEOPLE WHO FEEL AS WE DO-

Diana Keener

05/04/2017

John and Loueva Zupan  
8233 W. 108<sup>th</sup> Pl.  
Broomfield, Colo. 80021



Helendale Community Services District  
Attention: Clerk of the Board  
P. O. Box 359  
Helendale, CA 92342

Dear Board:

We own a home at:

13935 Topmast Dr.  
Helendale, CA 92342  
Parcel: 0465553040000

We have reviewed the proposed water rate increase and are filing this written protest to the following rates:

- The proposed facility rate
- The proposed volumetric rate

The summary of your future facility plans looked fine but we don't feel that is something to just dump on the residents with increased rates like you are proposing.

I have worked in private industry for the past 42 years and have seen many situations where the company did not have sufficient funds to cover their proposed expenses. In private industry, the company does look at the rates they charge their customers to see where they can increase them reasonably, but they also look at their own expenses to see where improvements can be made. This may result in some layoffs, elimination of some jobs, modification of services, reduction of overhead, canceling merit increases or management bonuses, etc. They don't just increase rates by the percentages that you have proposed. At one point in my career employees were forced to take a 5% pay cut (and management took a 10% pay cut) in order for the company to continue in business. We do not see any reference in your proposal that addresses the efficiency of your business or where overhead can be cut. Perhaps a business efficiency consultant is in order here instead of a water rate study.

I remember back in the 1970s during the energy crisis when Americans were urged to cut back on their use of energy. We put up with long lines at the gas pump, cold nights after setting the thermostat lower, not running our air conditioners, etc. The reward that Americans got for doing a good job of conserving energy was a surcharge on their bills because the utility companies weren't making enough money. California residents have done a great job conserving water during the drought and so now your reward for that

effort is to raise our rates; not by a reasonable amount but by an average of 75% for the facility rate and an average of 58% for the volumetric rate.

In closing, we can't support this proposed rate increase until we see some proof that you have looked within your organization to ensure your business is running as efficiently as possible.

Respectfully

  
John and Loueva Zupan



To: Helendale CSD



June 3, 2012

From

Bruce Falk

14780A Clubhouse Dr.

Helendale, Ca.

Acct #12-2725-01

Parcel #15-259-00023

This is to protest the proposed rate increases being proposed: the Water Facilities charge and the water rate.

They are inflationary and obscenely unfair, both the water facilities charge and the water usage rate.

Granted, there was a minimal increase in these rates since July 2013, but the last rate increase was implemented starting July 2012, not Jul.2013. The Fac. charge went from \$10.66 before July 1,2012 to 25.66 effective 7/1/2013. Wow, that is 240.7% increase in the first year of your last 5 yr plan. That works out to an average annual cost increase to us of 20%!!! Now you want to jack up the facilities charge to \$46.05 over the next 3 years NOT 4 as stated, which is another 73.7% increase. SO, effective 7/1/12 to your last proposed increase on 7/1/20, our fac. chg. goes from \$10.66 to \$46.05 over an 8 year period. That is an ave. annual cost

increase of over 20% and that is just on the facilities charge! In no way is this in line with inflation and our cost of living and having favorable rates compared to others is not a justification for these rate increases to me. I thought the CSD was formed to help with our cost of living increases. (I guess not)

On top of the facility charge increase, there is a proposed water usage rate increase of 57.8% to 74.4% for the first two tiers. That doesn't seem at all reasonable or fair to me.

I, therefore, respectfully protest these water rate increases as being unfair and inflationary beyond what can reasonably be expected.

A handwritten signature in black ink, appearing to read "Byron B. Fark". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

June 2, 2017

Helendale CSD Board,  
To whom it may concern:



I am writing this letter to oppose the new rates you want to begin next month.

I was under the understanding that the last rate hike implemented was to prevent future hikes?

Yet, here we go again with more 75 increments?

That may not seem to some as much, but to seniors living on a small income it is down right frightening.

Our current bill runs \$100 in winter and over \$150 a month in the summer. We simply cannot afford a \$200 a month water bill!

Your notice is informative but it doesn't really explain any options to the volumetric rate increase, only that the Supreme Court has restricted this type of structure. Also, you are basing your survey on an average monthly bill of \$20. I find this dishonest and misleading. With the facilities charge and the sewage rates so high, I know no one with a bill this low.

I cannot afford to cut down my trees and replace the lawn & shrubs with rock. I think you will find that most people will just stop watering and Silver Lake has gone down-hill enough. We need to consider our aesthetic value as well, don't we?

If these rates are approved we will eventually have to sell our home because we can't afford the essential water that has now become a luxury!

I understand we need new equipment and a new well in the future, but I would ask the board to consider other ways to fund these projects. One suggestion would be to ask the S.L. Assoc to begin charging the golfers user fees. After all, our high water costs are because of the golf course. And, there are so many of us who do not use it and cannot afford to subsidize it!

Another suggestion would be to stop buying so much property with the profits and just get by with the basics like many of us are forced to do.

Therefore, I am protesting the proposed facility rates and also the volumetric rate increase as well.

Thank you for your consideration in the matter.

Mr. Phillip Graham acct #  
Mrs. Lynda Graham 12-3059-01  
26613 Cumberland Ln, Helendale  
P.O. Box 2717  
Lot 194 Tract 8320  
Parcel # 467-283-24



Helendale Community Services District

# NOTICE OF PUBLIC HEARING

FOR PROPOSED CHANGES TO WATER RATES

Date: June 15, 2017  
Time: 6:30 PM

Location: Helendale Community Services District  
26540 Vista Road, Suite C, Helendale, CA 92342

Article XIID of the California Constitution requires the Helendale Community Services District (HCSD) to send notification of a proposed rate increase at least 45 days prior to a public hearing to all owners and tenants of real property within HCSD's service area who would be directly liable to pay for water service to the property at which adoption of the proposed rate increases will be considered. In accordance with those requirements, please be advised that HCSD is proposing an increase in its water service charges. This Notice identifies the amount of the proposed rate increases; the basis upon which the proposed increases were calculated; the reason for the proposed rate increases; the date, time, and location of a public hearing on the proposed rate increases; and the manner in which all persons opposed to the proposed increases may object and/or file a written protest thereto. Consequently, please be advised that this document shall serve as formal notification to you that HCSD's Board of Directors will hold a Public Hearing on the proposed rate increases described herein on:

**Thursday, June 15, 2017 at 6:30 p.m., in the Helendale CSD Board Room  
located at 26540 Vista Road, Suite C, Helendale, California 92342**

## SUMMARY OF FINDINGS

### **Why are Water Rates Increasing?**

In the past four years HCSD has implemented minimal increases in the water rates. Since July 2013, the last adopted rate increase resulted in an increase of eighty-five cents in the facilities charge and an increase of three cents in the water usage charge. However, despite our best efforts to keep costs down the rates have not kept pace with rapidly escalating costs of operating the water system. HCSD's financial stability is tied to several factors beyond our control. The proposed rates outlined in this notice are designed to collect sufficient revenue required to fund critical and necessary capital improvement projects, cover debt service obligations and meet increased operating expenses. The District's basic operational costs have seen increases including: rising electricity costs to operate the production wells, maintenance and infrastructure costs, labor-related costs and increased expenditures due to regulatory permits and other compliance related mandates. Helendale Community Services District is committed to providing safe, reliable water to our customers that meets all regulatory standards.

### **Governmental Regulations**

Strict government regulations play a significant role in the District's operation. The Federal Environmental Protection Agency mandates protocol which HCSD must follow regarding water quality. Previously the District drilled two new wells due to water quality issues and must now drill and equip a third new well in the next two years due to water quality issues and the requirement to meet maximum daily demands as outlined by the State Water Resources Control Board. As new laws are passed, additional water quality monitoring is required at an increased expense to the District.

### **Water Rights**

To ensure the community has sufficient water supply, the District has invested over \$6 million dollars in the past decade to purchase and lease adequate water rights. Because of this investment HCSD now owns sufficient water rights to serve the community's need annually thus avoiding the higher cost of purchasing replacement water from the Watermaster, the local entity that regulates extractions from our adjudicated groundwater basin.

## Proposed Volumetric Rate

### Rate Study Considerations

Helendale Community Services District's proposed water rate increases are consistent with the rate study performed by an independent professional consulting firm, Bartle Wells Associates. That study took into account: (1) fixed rate charges versus fixed cost; (2) infrastructure replacements and upgrades for the capital improvement projects discussed in this Notice; and (3) inflationary pressure on routine operating costs. Based upon all of the factors, elements and calculations considered in that study, a rate increase in the amount set forth herein was recommended. Copies of the rate study may be viewed on HCSD's website at [www.helendalecsd.org](http://www.helendalecsd.org), or at the administrative office located at 26540 Vista Road, Suite B. As a public agency, the Helendale Community Services District receives no profit from its water rates and is obligated to charge customers no more than the actual costs incurred for furnishing the services that HCSD provides. Standard expenses include operations and maintenance components, government compliance costs and the development of capital improvement projects including a new production well. HCSD collects no tax money for water, and customers pay only for the services they receive. The rate structure that is being proposed reflects the professional opinion of an independent financial consulting firm after incorporating costs of service with sufficient debt service coverage and operating revenue.

### Capital Improvement Projects

A capital improvement is an enhancement to the water system and related facilities. A Capital Improvement Plan is developed every five years and serves as a short-range planning tool to ensure that the water infrastructure is sufficient and well-maintained. Meeting regulatory mandates and maintenance schedules plays a significant role in the District's requirement to invest in expensive capital projects. HCSD's financial approach to capital improvement combines responsible fiscal decision making with an investment in thoughtful infrastructure planning. Capital projects are often complex and require considerable effort and financial resources to implement. Helendale Community Services District evaluated a broad range of potential projects to determine top priorities that met regulatory demands and support the continued delivery of reliable, high quality drinking water to its customers. Helendale CSD plans the following projects:

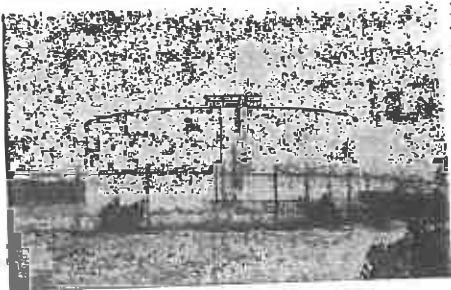
**New Well:** Due to water quality issues and a regulatory requirement to meet maximum day pumping demands the District will be drilling a new well at a cost of over \$1.4 million dollars. This includes citing the well and connecting it to the existing water distribution system.

**Generator:** To provide water in the event of a power outage, the District will invest in a new generator for an estimated cost of \$90,000.

**Well Rehabilitation:** Within the five-year planning timeframe, the District's two main production wells will need to have a complete rehabilitation at an estimated cost of \$500,000. This includes extensive cleaning of the well casing to a depth of over 500 feet into the ground and installing new turbine pumps which have approximately a ten-year lifecycle. If the wells are rehabilitated as required this will help extend their useful life thus saving money.

**Equipment Building:** Over the past ten years the District has invested in equipment to meet the service requirements of the Water Department. In order to preserve and protect the equipment it should be stored in a building when not in use. This will help to protect the equipment and extend its useful life. This item has been on the Capital Improvement Plan for ten years, but due to other more critical financial demands has yet to be constructed. This project will cost approximately \$200,000.

**Water Reservoirs:** The water system includes two storage reservoirs that were constructed in the early 1990's. The reservoirs are inspected regularly to ensure integrity of the interior surface. The reservoirs have reached the point in their lifecycle where they need to have extensive maintenance performed that includes coating the interior. This will extend the life of the tanks and preserve the water quality. In addition, the District will add valves to the tanks which will prevent the stored water supply from being compromised in the event of a major earthquake. This project will cost approximately \$350,000.



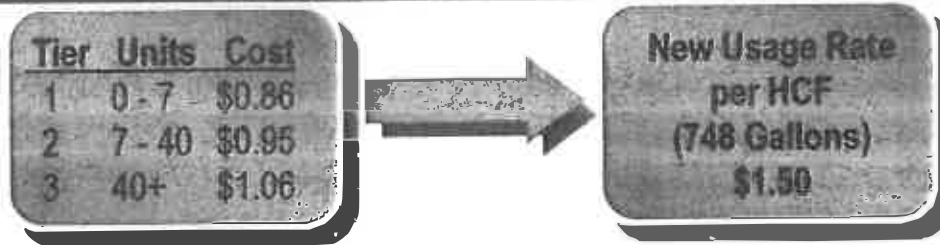
## Proposed Phased-In Facility Rates

Meter Size	Current	7/1/2017	1/1/2018	7/1/2018	7/1/2019	7/1/2020
1" & 3/4"						
2"	\$82.89	\$82.89	\$82.89	\$82.89	\$92.10	\$96.71
3"						
4" *	\$260.48	\$312.50	\$362.50	\$398.72	\$438.59	\$460.52
6"						

\*Includes SLA RV Park Connection

The chart above outlines the water rate increase to be phased in periodically over a four year period beginning on July 1, 2017. The proposed rate is sufficient to meet projected capital expenditures, existing regulatory compliance requirements and projected increases in operating costs over the next five-year planning timeframe.

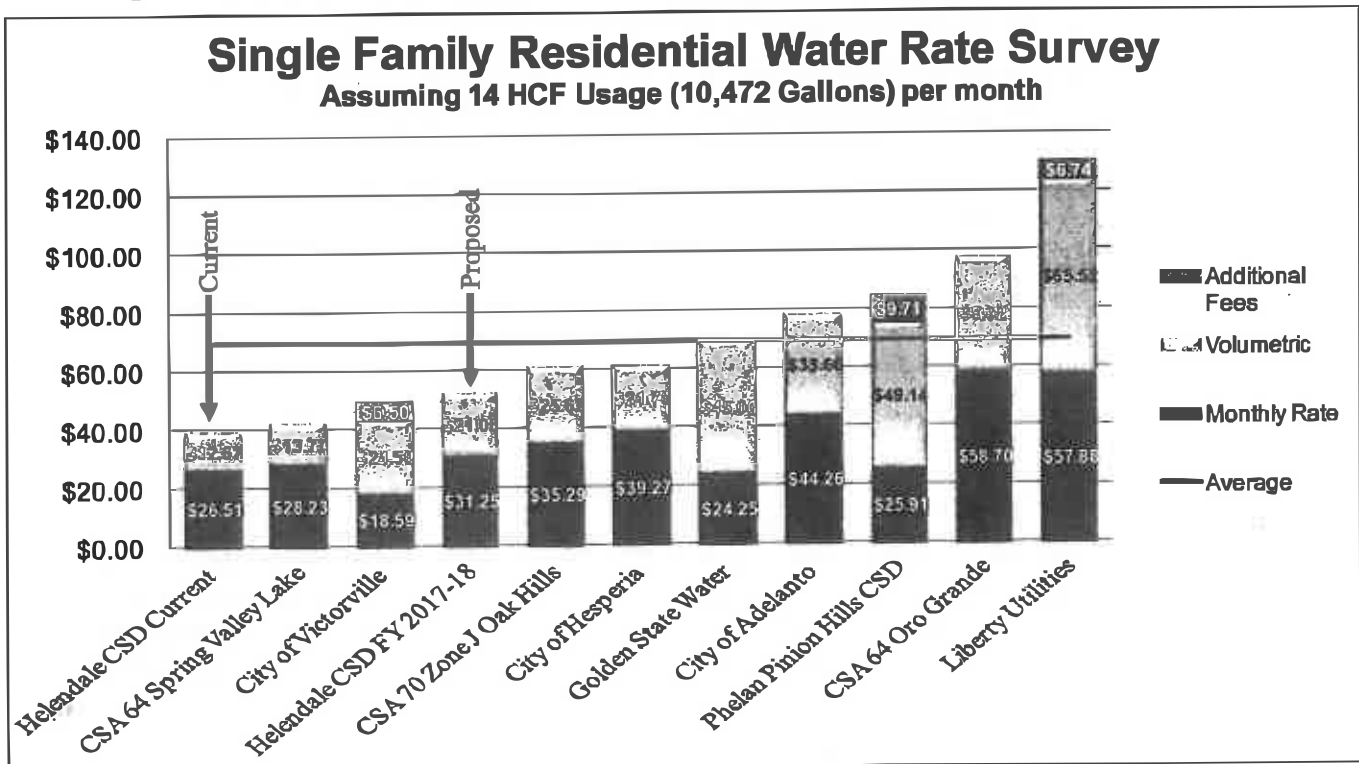
## Proposed Volumetric Rate



Currently a tiered rate structure is used to charge for water usage billed in hundred cubic foot (HCF) increments. A recent Supreme Court decision restricted the use of this type of structure. The District is proposing a single volumetric rate of \$1.50 for each increment of 748 gallons (HCF) that flows through the meter.

## Rate Comparison

The graph below provides a comparison of rates from other local water service providers assuming an average monthly consumption of 14 hundred cubic feet (HCF). An HCF is equivalent to 748 gallons. This information is intended to provide context for the increase being proposed. Regionally, the average monthly water bill is \$70.





Helendale Community  
Services District  
26540 Vista RD. Suite B.  
P.O. Box 359  
Helendale, CA 92342

## How to Participate

If you have any questions or comments about the proposed rates or wish to protest you may:

**Write** - Written protests may be mailed to the Helendale Community Services District: Attention Clerk of the Board, P.O. Box 359, Helendale, CA 92342; or hand delivered to the administration office at 26540 Vista Road, Suite B. Written protests must specify the rate or charge being protested and must include: Your name, parcel number and/or service address, and your signature. E-mailed protests will not be accepted.

**Attend the Public Hearing** - Written protests may also be submitted at the Public Hearing on June 15, 2017, at 6:30 p.m. in the Helendale Community Services District Board Room, 26540 Vista Road, Suite C Helendale, California. Written protests must be received before the conclusion of the Public Hearing. You may address the Board, however, oral comments do not qualify as a formal protest unless accompanied by a written protest.

**Information Available to you** - Copies of the rate study, the proposed Resolution, and further details concerning the reasons for the proposed rate increases and the basis upon which they were calculated, are available for review at the HCSD office located at 26540 Vista Road, Suite B, or on our website: [www.helendalecsd.org](http://www.helendalecsd.org).

**Public Hearing Process** - At the time of the Public Hearing the Board of Directors will hear and consider all protests and objections. After the Public Hearing, if a majority of the property owners and tenants of real property directly liable for paying water bills for the affected parcels file written protests in opposition to the proposed rate increases, the increases will not be imposed. However, if a majority protest is not received, HCSD's Board of Directors may increase its water service rates in the manner described in the Notice. If adopted, the proposed rates would become effective July 1, 2017, but the increase would be phased in over the next four years as outlined in this notice.





## **RESOLUTION 2017-11**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HELENDALE COMMUNITY SERVICES DISTRICT INCREASING ITS WATER SERVICE CHARGES**

**WHEREAS**, the Helendale Community Services District ("District") is a Community Services District located within the County of San Bernardino and organized and operating pursuant to California Government Code Section 61000 et seq.; and

**WHEREAS**, pursuant to Resolution No. 2951 of the Local Agency Formation Commission of the County of San Bernardino ("LAFCO") adopted on December 4, 2006, the District is the successor agency to San Bernardino County Service Area 70, Improvement Zones B and C ("CSA 70 B&C"); and

**WHEREAS**, prior to the adoption of LAFCO Resolution No. 2951, the territory within CSA 70 B&C was subject to water rates that had been established by the County of San Bernardino pursuant to ordinances and resolutions that had been adopted by its Board of Supervisors; and

**WHEREAS**, pursuant to Condition No. 8 of LAFCO Resolution No. 2951 and Section 61100(a) of the California Government Code, the District is authorized to supply water for any beneficial uses in the same manner as a municipal water district formed pursuant to California Water Code Section 71000; and

**WHEREAS**, under California Water Code Sections 71613-71617, a municipal water district is authorized to fix rates and charges for the water it delivers; and

**WHEREAS**, under California Water Code Section 61115(a), the District is authorized to establish rates or other charges for services and facilities that the District supplies and to provide for the collection and enforcement of those rates or charges; and

**WHEREAS**, pursuant to the authority set forth above the Board adopted Resolution 2012-02 on or about June 7, 2012, which established the District's current water service charge;

**WHEREAS**, the District has retained the services of a qualified firm, Bartle Wells Associates, to prepare the Water Rate Study dated April 24, 2017, that is attached

hereto as Exhibit "A" and incorporated herein by this reference ("the Water Rate Study"); and

**WHEREAS**, the revenue raised by the District's rates and charges will be used to modify or construct additional public facilities and to procure additional sources of supply to provide adequate water services, and do not exceed the total cost of such facilities and services and establish an appropriate replacement reserve fund; and

**WHEREAS**, this action is necessary to meet the District's operating expenses, to purchase and/or lease supplies, equipment, and materials, to meet the District's financial reserve needs and requirements, and to obtain funds for capital projects necessary to maintain water service within the boundaries of the District, and is therefore exempt from the requirements of the California Environmental Quality Act as provided by Public Resources Code Section 21080(b)(8); and

**WHEREAS**, the amount of the rates and charges hereby adopted do not exceed the reasonable anticipated costs for the corresponding services provided by the District, and therefore the fees imposed hereby to not qualify as a "tax" under Article XIII C, Section 1(e) of the California Constitution or Section 50076 of the California Government Code, and the actions taken herein are exempt from the additional notice and public meeting requirements of the Brown Act pursuant to Government Code Section 54954.6(a)(1)(A) and (B); and

**WHEREAS**, the District has satisfied all of the substantive and procedural prerequisites of Articles XIII C and XIII D of the California Constitution in establishing the rates and charges set forth herein, including but not limited to, the identification of the parcels upon which the rates and charges will be imposed; the calculation of the rates and charges; the mailing of written notice to the record owners of each parcel upon which the rates and charges will be imposed describing the amount thereof, the basis upon which the rates and charges were calculated, the reason for the rates and charges, and the date, time, and location of the public hearing to be held thereon; and the conducting of a public hearing on the rates and charges not less than 45 days after mailing the notice during which all protests against the fee were considered.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Helendale Community Services District does hereby resolve and determine that the written protests against the rates and charges set forth herein that were received by the District prior to the close of the public hearing hereon represented less than a majority of the parcels subject to the rates and charges set forth below and, thus, the District's Board of Directors further finds that the public interest and necessity requires the adoption of the content and findings of the Water Rate Study and the following rates and charges for water service by the District, as well as affirmation and ratification of all prior rates and charges previously adopted by the District's Board of Directors:

**SECTION 1. WATER SERVICE CHARGE**

A. The fixed rate component of the District’s water service charge is the monthly availability charge applicable to all metered water services. The charge, which varies by meter size, is hereby established in the maximum amounts listed in Exhibit “B” attached hereto and incorporated herein by this reference, but said increases shall be phased in periodically in accordance with the schedule set forth therein.

B. The consumption rate component of the District’s water service charge is the monthly charge calculated based upon the volume of usage for all metered water services. The charge is hereby established in the amount listed in Exhibit “C” attached hereto and incorporated herein by this reference..

**SECTION 2. GENERAL MANAGER AUTHORITY**

The District’s General Manager is hereby authorized to take any and all actions necessary to carry out the intent of the District’s Board of Directors as is stated herein and as otherwise required in order to comply with applicable law.

**SECTION 3. EFFECTIVE DATE**

This Resolution shall take effect immediately upon adoption and shall supersede Resolution No. 2012-02 adopted by the Board on or about June 7, 2012.

**ADOPTED** this 15<sup>th</sup> day of June, 2017, by the following vote:

AYES: \_\_\_\_\_  
NOES: \_\_\_\_\_  
ABSENT: \_\_\_\_\_  
ABSTAIN: \_\_\_\_\_

\_\_\_\_\_  
Ron Clark  
President, Board of Directors

Attest:

\_\_\_\_\_  
Sandy Haas  
Secretary, Board of Directors

**EXHIBIT "A"**

# **Helendale Community Services District**



## **Water Rate Study**

*April 24, 2017*



**BARTLE WELLS ASSOCIATES**  
INDEPENDENT PUBLIC FINANCE ADVISORS

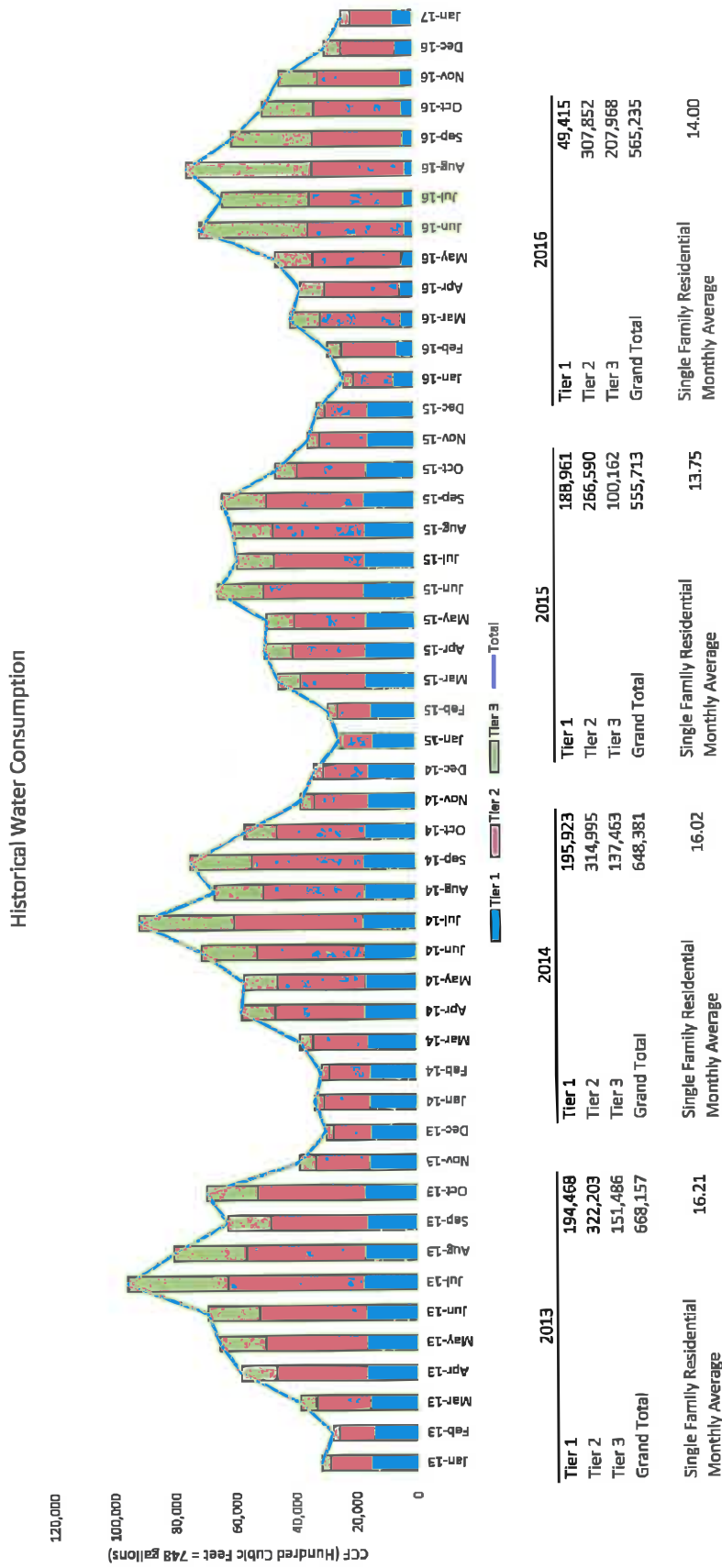
**Table ES-1**

<b>FIXED CHARGES (\$ / MONTH)</b>						
	<u>Current</u>			<u>Proposed</u>		
	FY2017	1.Jul 17/18	1.Jan 17/18	FY2018/19	FY2019/20	FY2020/21
1" Meter	\$26.25	\$31.25	\$36.25	\$39.87	\$43.86	\$46.05
% Change 1" Meter		82.89	\$82.07	\$82.07	\$92.10	\$96.71
2" Meter	\$82.07	\$246.88	\$286.38	\$314.99	\$346.49	\$363.81
% Change 2" Meter		\$246.88	\$286.38	\$314.99	\$346.49	\$363.81
3" Meter	\$154.43	\$312.50	\$362.50	\$398.72	\$438.59	\$460.52
% Change 3" Meter		\$312.50	\$362.50	\$398.72	\$438.59	\$460.52
4" Meter & SLRV	\$257.90	\$468.75	\$543.75	\$598.08	\$657.89	\$690.79
% Change 4" Meter \$ SLRV		\$468.75	\$543.75	\$598.08	\$657.89	\$690.79
6" Meter	\$393.80					
% Change 6" Meter						

<b>VOLUMETRIC CHARGES (\$ / HCF)</b>						
	<u>Current</u>			<u>Proposed</u>		
	FY2017			FY2017/18		
Tier 1	Usage (hcf)	0 - 7	\$0.85			
Tier 2	7 - 40		\$0.94			
Tier 3	40+		\$1.05			
Uniform Rate				\$1.50		
		Jul 1 - 17/18	Jan 1- 17/18	FY2018/19	FY2019/20	FY2020/21
Typical Residential Bill [1]	\$38.78	\$44.75	\$49.75	\$53.37	\$57.36	\$59.55

[1] Typical Residential Bill = 1" Meter charge + 14 HCF

**Figure 1: Water Consumption**  
 Helendale Community Services District  
 Water Rate Study



**Table 1: Current Rates**  
 Helendale Community Services District  
 Water Rate Study

<b>Fixed Meter Rates</b>		<b>Volumetric Rates</b>		
<u>Meter Size</u>	<u>\$ / Month</u>	<u>Meter Size</u>	<u>Usage (ccf)</u>	<u>\$ / ccf</u>
1" and Below	\$26.25	Tier 1	0 - 7	\$0.85
2" Meter	\$82.07	Tier 2	7 - 40	\$0.94
3" Meter	\$154.43	Tier 3	40+	\$1.05
4" Meter	\$257.90			
SL RV	\$257.90			
6" Meter	\$393.80			

Rates as of July 1, 2016

**Table 2: Estimated Revenue FY2017 and FY2018**  
 Helendale Community Services District  
 Water Rate Study

		FY2017 Estimated Fixed Revenue			FY 2018 Proposed Rates		
Meter Size	No. of meters	Monthly Rate	Annual Revenue	Jul 1 2017 Monthly rate	Jan 1 2018 Monthly Rate	Annual Revenue	
1" and Below	2,782	\$26.25	\$876,330	\$31.25	\$36.25	\$1,126,710	
2" Meter	35	\$82.07	\$34,469	\$82.89	\$82.07	\$34,642	
3" Meter	3	\$154.43	\$5,559	\$246.88	\$286.38	\$9,599	
4" Meter	1	\$257.90	\$3,095	\$312.50	\$362.50	\$4,050	
6" Meter	1	\$257.90	\$3,095	\$468.75	\$543.75	\$6,075	
		<b>Estimated Fixed Service Charges</b>	<b>\$922,548</b>		<b>Estimated Fixed Service Charges</b>	<b>\$1,181,075</b>	
		<b>FY2017 Estimated Volumetric Revenue</b>			<b>FY 2018 Estimated Volumetric Revenues</b>		
Tier	Consumption (hcf)	Rate (\$/hcf)	Annual Revenue	Consumption	Rate (\$/hcf)	Annual Revenue	
Tier 1	188,961	\$0.85	\$160,617	527,927	\$1.50	\$791,891	
Tier 2	266,590	\$0.94	\$250,595		<b>Estimated Volumetric Revenue</b>	<b>\$791,891</b>	
Tier 3	100,162	\$1.05	\$105,170				
		<b>Estimated Volumetric Revenue</b>	<b>\$516,382</b>				
		<b>Total FY2017 Fixed Charge Service Revenue</b>	<b>\$922,548</b>		<b>Estimated Fixed Service Charges</b>	<b>\$1,181,075</b>	
		<b>Total FY2017 Volumetric Revenue</b>	<b>\$516,382</b>		<b>Estimated Volumetric Revenue</b>	<b>\$791,891</b>	
		<b>Total FY2017 Estimated Service Charge Revenue</b>	<b>\$1,438,930</b>		<b>Total FY2018 Service Charge Revenue</b>	<b>\$1,972,966</b>	



**Table 3: Operating Fund Expenses**  
Helendale Community Services District  
Water Rate Study

	FY2016/17	FY2017/18	FY2018/19	FY2019/20	FY2020/21	Allocation	
	Budget		Projected			Fixed	Volumetric
<b>SALARIES &amp; FRINGE BENEFITS</b>							
Salaries, Full Time	283,837	307,632	316,861	326,367	336,158	70%	30%
Salaries, Overtime	10,000	14,000	14,420	14,853	15,298	70%	30%
On-Call Pay	10,500	11,525	11,871	12,227	12,594	70%	30%
Wages - Part-Time	30,518	27,820	28,655	29,514	30,400	70%	30%
Retirement	39,895	40,549	41,765	43,018	44,309	70%	30%
Employee Group Insurance	42,888	42,750	44,033	45,353	46,714	70%	30%
Workers Compensation	27,843	19,188	19,764	20,357	20,967	70%	30%
Payroll Taxes	7,850	6,589	6,787	6,990	7,200	70%	30%
Subtotal Salaries and Fringe Benefits	453,331	470,053	484,155	498,679	513,640		
<b>ADMINISTRATION</b>	<b>337,300</b>	<b>307,784</b>	<b>310,862</b>	<b>313,970</b>	<b>317,110</b>	<b>70%</b>	<b>30%</b>
<b>MAINTENANCE AND OPERATIONS</b>							
Laboratory Analysis	12,000	10,500	10,815	11,139	11,474	75%	25%
Contractual Services	7,500	11,000	11,330	11,670	12,020	75%	25%
Engineering Services	10,000	4,000	4,120	4,244	4,371	75%	25%
Software Support	5,300	5,280	5,438	5,602	5,770	75%	25%
Permits & Inspection	22,500	14,500	14,935	15,383	15,845	75%	25%
Equipment Rental	3,000	0	0	0	0	75%	25%
Education and Training	5,000	6,560	6,757	6,960	7,168	75%	25%
Rent & Leases	9,600	9,600	9,600	9,600	9,600	75%	25%
Rent - BLM Tank Site	1,400	1,260	1,298	1,337	1,377	75%	25%
Utilities - Pumping Electrical	130,000	111,204	114,540	117,976	121,516	10%	90%
Utilities - Other	2,500	480	494	509	525	75%	25%
Utilities - Telephone	7,000	4,808	4,952	5,101	5,254	75%	25%
Repairs and Maintenance	80,000	90,000	92,700	95,481	98,345	70%	30%
Vehicle Maintenance	14,000	15,500	15,965	16,444	16,937	75%	25%
Vehicle Fuel	13,000	13,000	13,390	13,792	14,205	75%	25%
Watermaster Fee	3,500	8,000	8,240	8,487	8,742	75%	25%
Operating Supplies	55,000	30,750	31,673	32,623	33,601	75%	25%
Office Supplies	1,500	0	1,000	0	1,000	75%	25%
Water Conservation Program	7,500	1,495	1,540	1,586	1,634	0%	100%
Uniforms	3,000	3,022	3,113	3,206	3,302	75%	25%
Small Tools	7,000	5,500	5,665	5,835	6,010	75%	25%
Dues and Subscriptions	3,300	1,160	1,195	1,231	1,268	75%	25%
Leased Water	0	0	0	0	0	0%	100%
Groundwater Replenishment	3,500	0	0	0	0	0%	100%
Subtotal Maintenance and Operations	407,100	347,619	358,760	368,204	379,962		
<b>Grand Total Operating Expenses</b>	<b>1,197,731</b>	<b>1,125,456</b>	<b>1,153,776</b>	<b>1,180,854</b>	<b>1,210,712</b>		
Total Fixed Expenses	762,017	727,296	745,340	762,360	781,369	<b>64%</b>	
Total Volumetric Expenses	435,714	398,160	408,436	418,494	429,343	<b>36%</b>	
	1,197,731	1,125,456	1,153,776	1,180,854	1,210,712	<b>100%</b>	

**Table 4: Capital Improvement Project List**  
**Helendale Community Services District**  
**Water Rate Study**

<u>Capital Projects</u>	<u>Budget</u>	<u>Proposed / Planned</u>					<u>Totals</u>
	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	
Corporate Yard - 40x100 Metal Building/Enclosure						200,000	200,000
Generator		90,000					90,000
New Well (Location TBD)			851,000				851,000
Well 1A Improvements Building				40,000			40,000
Abandon Wells 5 & 6						30,000	30,000
New Well Pipeline (to Well 6)[1]			210,000	210,000			420,000
North & South Tank - Interior Re-Coating		250,000					250,000
North & South Tank - Valves & Manifold		80,000					80,000
New Turbine Pump				85,000		85,000	170,000
New Well Testing		70,000					70,000
Well Rehab				110,000		110,000	220,000
New Truck		25,000					25,000
							0
Smart Meters							0
Misc. Projects							0
<b>Total</b>	<b>0</b>	<b>515,000</b>	<b>1,061,000</b>	<b>445,000</b>	<b>0</b>	<b>425,000</b>	<b>2,446,000</b>
<u>Funding Sources</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>Totals</u>
Capital Fund	-	-	210,000	335,000	-	285,000	830,000
Loan	-	515,000	851,000	110,000	-	140,000	1,616,000
							0
<b>Total</b>	<b>0</b>	<b>515,000</b>	<b>1,061,000</b>	<b>445,000</b>	<b>0</b>	<b>425,000</b>	<b>2,446,000</b>

Source: Capital Budget sent from Kimberly Cox 3-21-16

[1] Well Pipeline or Well Manifold Pipeline

**Table 5: Current Debt Service Schedule**  
 Helendale Community Services District  
 Water Rate Study

	FY2016/17	FY2017/18	FY2018/19	FY2019/20	FY2020/21
	Budget		Projected		
	Interest Rate				
Debt Service					
2008 (2014) Installment Agreement [1]	3.90%	49,160	49,160	49,160	49,160
2012 Installment Agreement [2]	5.25%	40,679	40,679	40,679	40,679
2014 Installment Agreement [3]	4.25%	298,895	298,895	298,895	298,895
2017 Proposed Well Rehab [4]	4.00%	0	0	4,021	8,042
2017 Proposed Wastewater Loan [5]	2.00%	0	0	57,078	57,078
2017 Proposed Loan for New Well [6]	4.00%	0	0	31,109	62,218
		388,734	388,734	445,812	516,072

[1] Water Rights acquisition, improvements to water system, development of well #10, well improvements, purchase of additional water rights

[2] Acquisition and construction of a water well and other projects, purchase of administrative facility

[3] Acquisition of water rights

[4] Financing for \$110,000 well rehab project (4% 20 year debt)

[5] \$515,000 Loan from Wastewater (2% 10 year debt)

[6] Financing for \$851,000 New Well ( 4% 20 year debt)

**Table 6: Other Revenue Projection**  
**Helendale Community Services District**  
**Water Rate Study**

	Budget		Projected		
	FY2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Meter Installation	500	0	0	0	0
Connection Fees	0	0	0	0	0
Permits & Inspections	500	500	500	500	500
Sale/Lease of Water Rights	0	0	0	0	0
Other Services	750	27,000	27,000	27,000	27,000
Mechanic Service Charges	14,500	13,910	13,910	13,910	13,910
Other Revenue	2,500	0	0	0	0
Water Conservation Income	4,200	4,200	4,200	4,200	4,200
Enernoc Capacity Payment	0	5,000	5,000	5,000	5,000
Property Tax Assessments[1]	23,000	22,800	22,800	22,800	22,800
Delinquent Penalties & Fees	<u>68,000</u>	<u>43,610</u>	<u>43,610</u>	<u>43,610</u>	<u>43,610</u>
	113,950	117,020	117,020	117,020	117,020

[1] Standby Fees

**Table 7: Operating Cash Flow**  
 Helendale Community Services District  
 Water Rate Study

	Budget		Projected				
	FY2016/17		FY2017/18	FY2018/19	FY2019/20	FY2020/21	
		FY2017/18 Increase					
<u>Fixed Charges</u>		<b>1-Jul</b>	<b>1-Jan</b>				
SFR Typical Bill [2]	\$38.78	\$44.75	\$49.75	\$53.37	\$57.36	\$59.55	
1" Meter Fixed Charge	\$26.25	\$31.25	\$36.25	\$39.87	\$43.86	\$46.05	
<u>Volumetric</u>							
Uniform Rate (2018 onwards)				\$1.50			
T1 (0-7 HCF) \$/HCF	0.85						
T2 (7-40 HCF) \$/HCF	0.94						
T3 (40+ HCF) \$/HCF	1.05						
<b>Beginning Balance [3]</b>	<b>\$0</b>			<b>\$0</b>	<b>\$568,816</b>	<b>\$998,233</b>	<b>\$1,436,237</b>
<b>Operating Revenue</b>							
Fixed	922,548	<b>543,563</b>	<b>630,533</b>	1,174,095	1,387,172	1,525,889	1,602,183
Volumetric	516,382			791,891	791,891	791,891	791,891
Other Operating Revenue	<u>113,950</u>			<u>117,020</u>	<u>117,020</u>	<u>117,020</u>	<u>117,020</u>
<b>Total Operating Revenue</b>	<b>1,552,880</b>			<b>2,083,006</b>	<b>2,296,083</b>	<b>2,434,800</b>	<b>2,511,094</b>
<b>Non-Operating Revenue</b>							
Proposed Loan Proceeds	0			515,000	851,000	110,000	0
Other Non Operating Revenues	<u>0</u>			<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Non-Operating Revenue</b>	<b>0</b>			<b>515,000</b>	<b>851,000</b>	<b>110,000</b>	<b>0</b>
<b>Total Revenue</b>	<b>1,552,880</b>			<b>2,598,006</b>	<b>3,147,083</b>	<b>2,544,800</b>	<b>2,511,094</b>
<b>Operating Expenditures</b>							
Salaries and Fringe Benefits	453,331			470,053	484,155	498,679	513,640
Administrative Charges	337,300			307,784	310,862	313,970	317,110
Maintenance and Operations	<u>407,100</u>			<u>347,619</u>	<u>358,760</u>	<u>368,204</u>	<u>379,962</u>
<b>Total Operating Expenses</b>	<b>1,197,731</b>			<b>1,125,456</b>	<b>1,153,776</b>	<b>1,180,854</b>	<b>1,210,712</b>
<b>Capital Projects</b>							
Pay-As-You-Go	0			0	210,000	335,000	0
Loan Funded Projects	0			515,000	851,000	110,000	0
Equipment Reserve Fund	<u>0</u>			<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Capital Projects</b>	<b>0</b>			<b>515,000</b>	<b>1,061,000</b>	<b>445,000</b>	<b>0</b>
<b>Debt Service</b>							
Current	388,734			388,734	445,812	388,734	388,734
Proposed Loan	<u>0</u>			<u>0</u>	<u>57,078</u>	<u>92,208</u>	<u>127,338</u>
<b>Total Debt Service</b>	<b>388,734</b>			<b>388,734</b>	<b>502,890</b>	<b>480,942</b>	<b>516,072</b>
<b>Total Expenditure</b>	<b>1,586,465</b>			<b>2,029,190</b>	<b>2,717,666</b>	<b>2,106,796</b>	<b>1,726,784</b>
<b>Net</b>	<b>(33,585)</b>			<b>568,816</b>	<b>429,417</b>	<b>438,004</b>	<b>784,310</b>
<b>Ending Balance</b>	<b>\$0</b>			<b>\$568,816</b>	<b>\$998,233</b>	<b>\$1,436,237</b>	<b>\$2,220,547</b>
<b>Minimum Reserve Target [4]</b>	<b>987,600</b>			<b>951,462</b>	<b>1,079,778</b>	<b>1,071,369</b>	<b>1,121,428</b>
Minimum Reserve Met	No			No	No	Yes	Yes
Debt Service Coverage [5]	0.91			2.46	2.27	2.61	2.52

[1] SFR fixed charge rate increases, Volumetric increases differ due to change in tler structure

[2] 1" meter and 14 ccf of monthly water use

[3] Balance as of June 30, 2016

[4] 50% of operating expenses plus one year of debt service

[5] Net operating revenue divided by Annual Debt Service. 1.25x minimum

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**Table 8: Meter Equivalents**  
Helendale Community Services District  
Water Rate Study

Meter Size	Number of Meters	Ratio [1]	Equivalent
1" and Below	2,782	1.0	2,782
2" Meter	35	2.1	74
3" Meter	3	7.9	24
4" Meter	1	10.0	10
SL RV	1	10.0	10
6" Meter	0	15.0	0
<b>Total 1" meter and below equivalents</b>			<b>2,899</b>

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[1] Source: AWWA Manual M22, 2nd Edition, 2004, page 67

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**Table 9a: Fixed Rate Projection**  
**Helendale Community Services District**  
**Water Rate Study**

		1-Jul	1-Jan	Annual Growth Rate		
	FY2016/17	FY2017/18	FY2017/18	FY2018/19	FY2019/20	FY2020/21
Percentage Rate Increase						
Annual Fixed Charge Revenue (\$)	922,548	543,563	630,533	1,387,172	1,525,889	1,602,183
Meter Equivalents		2,899	2,899	2,899	2,899	2,899
Meter Equivalent Fixed Charge	\$26.51	\$31.25	\$36.25	\$39.87	\$43.86	\$46.05
<b>1" and Below Fixed Rate</b>						
1" Equivalent		\$31.25	\$36.25	\$39.87	\$43.86	\$46.05
1" and Below Fixed Rate	\$26.51	\$31.25	\$36.25	\$39.87	\$43.86	\$46.05
<b>2" Fixed Rate</b>						
2" Equivalent		\$65.63	\$76.13	\$83.73	\$92.10	\$96.71
2" Fixed Rate	\$82.89	\$82.89	\$82.89	\$82.89	\$92.10	\$96.71
<b>3" Fixed Rate</b>						
3" Equivalent		\$246.88	\$286.38	\$314.99	\$346.49	\$363.81
3" Fixed Rate	\$155.97	\$246.88	\$286.38	\$314.99	\$346.49	\$363.81
<b>4" Fixed Rate</b>						
4" Equivalent		\$312.50	\$362.50	\$398.72	\$438.59	\$460.52
4" Fixed Rate	\$260.48	\$312.50	\$362.50	\$398.72	\$438.59	\$460.52
<b>SL RV Fixed Rate</b>						
SL RV Equivalent		\$312.50	\$362.50	\$398.72	\$438.59	\$460.52
SL RV Fixed Rate	\$260.48	\$312.50	\$362.50	\$398.72	\$438.59	\$460.52
<b>6" Fixed Rate</b>						
6" Equivalent		\$468.75	\$543.75	\$598.08	\$657.89	\$690.79
6" Fixed Rate	\$398.00	\$468.75	\$543.75	\$598.08	\$657.89	\$690.79

**Table 10: Volumetric Rate Projection**  
**Helendale Community Services District**  
**Water Rate Study**

<b>Annual Growth Rate[1]</b>	<b>0.00%</b>
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	FY2016/17	FY2017/18	FY2018/19	FY2019/20	FY2020/21
Volumetric Revenue (\$)	\$516,382	\$791,891	\$791,891	\$791,891	\$791,891
Projected Consumption (hcf)		527,927	527,927	527,927	527,927
Rate (\$ / hcf)		\$1.50	\$1.50	\$1.50	\$1.50

[1] Growth rate of consumption based on 95% of 2015 consumption levels.



## EXHIBIT "B"

### Phased-In Facility Rates

Meter Size	Current	7/1/2017	1/1/2018	7/1/2018	7/1/2019	7/1/2020
1" & 3/4"	\$26.51	\$31.25	\$36.25	\$39.87	\$43.86	\$46.05
2"	\$82.89	\$82.89	\$82.89	\$82.89	\$92.10	\$96.71
3"	\$155.97	\$246.88	\$286.36	\$314.99	\$346.49	\$363.81
4" *	\$260.48	\$312.50	\$362.50	\$398.72	\$438.59	\$460.52
6"	\$398.00	\$468.75	\$543.75	\$598.08	\$657.89	\$690.79

\*Includes SLA RV Park Connection

# EXHIBIT "C"

## Volumetric Rate

**Usage Rate per  
HCF  
(748 Gallons)  
\$1.50**



# Helendale Community Services District

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**Date:** June 15, 2017  
**TO:** Board of Directors  
**FROM:** Kimberly Cox, General Manager  
**SUBJECT:** Agenda item #6  
Discussion and Possible Action Regarding Approval of a Contract with the Mattress Recycling Council, Inc. for the Landfill Diversion and Recycling of Mattresses and Box Springs from the Helendale Community

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## **Staff Recommendation**

Staff recommends support the contract pending Legal Counsel's review and concurrence.

## **Staff Report**

One of the services assumed from Burrtec has been a robust bulky item pick program whereby residents can dispose of large items that will not fit into the residential trash carts. Customers may request two curb-side pick-ups each year for up to five items each time. Two of the items frequently picked up are mattresses and box springs.

In an effort to keep land fill costs to a minimum, the District has sought ways of maximizing the recycling potential for the benefit of the District's customers. We have a very effective electronics recycling program whereby the District is able to beneficially recycle TV's from the community and benefit from the state-wide CALrecycle E-Waste Recycling program. Likewise, Staff has found an entity, the Mattress Recycling Council, Inc. (MRC), that will recycle the mattresses collected from the community and abandoned at the Thrift Store.

The contract provides that MRC will provide the disposal container, pay for the hauling and recycling and reimburse the District an estimated \$1.82 each for mattresses and box springs. There are requirements that District staff will have to comply with regarding quality parameters, loading the product and paperwork compliance. This will not cover the entire costs of picking up the mattresses, however, it will reimburse a portion and realize avoided land fill costs through beneficial diversion of these bulky materials.

Based upon a three-month evaluation of mattresses for March, April and May 2017, Staff picked up 32 mattresses with an additional 10 dropped off at the Thrift Store after hours. (Staff did not log the size of the mattresses picked up, so the evaluation is based upon a queen size mattress.) Based upon the following information, the estimated value to the District for the contract is \$305.76 cash reimbursement and \$357.48 in avoided landfill disposal costs.

<u>Size</u>	<u>Weight</u>	<u>each piece</u>	<u>Wt. Assumption</u>	<u>Disposal Cost</u>
Twin	45 pounds			(\$59.94/ton)
Full	56 pounds			
<b>Queen</b>	<b>71 pounds</b>	<b>x 42 pounds =</b>	<b>2,982 pounds =</b>	<b>\$89.37</b>
Kind	90 pounds			

**Fiscal Impact**

The projected annual avoided landfill costs is \$357.48 (\$89.37x4) and the estimated cash reimbursement for District labor is \$305.76

**Possible Motion:** Approve a contract with Mattress Recycling Council, Inc to be reviewed annually by Staff, pending final review by District Council and General Manager.

**California Used Mattress Recycling Program  
Used Mattress Collection Services Agreement**

**Between**

**Mattress Recycling Council, Inc.**

**and**

**Helendale Community Services District**

**California Used Mattress Recycling Program  
Collection Facility and Used Mattress Management Services Agreement**

This Agreement is made on this \_\_\_\_ day of \_\_\_\_\_, 201\_\_ (“Agreement”) by and between Helendale Community Services District, a public agency organized and operating pursuant to California Government Code Section 61000 et seq., located at 26540 Vista Road, Suite B, Helendale, California (the “Service Provider”), and Mattress Recycling Council, a Delaware corporation having its offices at 501 Wythe Street, Alexandria, VA 22182 (“MRC”).

**RECITALS**

**Whereas**, MRC is the “mattress recycling organization” certified by the State of California to plan and implement a mattress recycling program in California (the “Program”), as set forth in California Public Resources Code §§ 42985 – 42994 (2014) (the “Act”), and is organized (among other things) to negotiate and execute agreements to collect and transport used mattresses for recycling;

**Whereas**, California Public Resources Code § 42987.1(o) requires that MRC develop and submit to the state of California a recycling plan that (among other things) provides for MRC to pay an amount to a municipal or solid waste facility or operation that accepts used mattresses dropped off by California residents at no charge (a facility) that both MRC and the facility determine is reasonable for the facility to accept, store, and handle such mattresses;

**Whereas**, the Service Provider operates one such facility in California;

**Whereas**, MRC and the Service Provider, pursuant to § 42987.1(o), wish to enter into this Agreement, which describes the terms and conditions under which the Service Provider will provide the Services described herein to MRC;

**Now, therefore**, for and in consideration of the terms of this Agreement and the mutual promises and covenants contained herein, the parties hereto agree as follows:

**ARTICLE 1 – DEFINITIONS**

- 1.1 “Consolidate” means (as applicable) accepting, handling, storing, and packing only acceptable Program Products into Collection Containers provided by, or approved for use by, MRC or its subcontractors in a manner that is efficient, complies with the requirements of MRC or its subcontractors, and is conducive to safe and efficient transport.
- 1.2 “Collection Containers” are containers provided by, or approved for use by, MRC or its contractors to hold and transport Program Products.
- 1.3 “Collection Facility(ies)” means all permanent or temporary collection facilities that are owned, leased, subleased, or otherwise controlled by the Service

Provider and designated by the Program to collect Program Products, and as specifically identified in Attachment E ("Collection Facility Information").

- 1.4 "Effective Date" means the date that the parties' obligations begin under this Agreement. The Effective Date is the first date shown above.
- 1.5 "Force Majeure" is defined in 14.2.
- 1.6 "Guidelines" are listed in Attachment D, and give a more specific overview of how the Program is to be implemented. MRC reserves the right to update, change, modify, amend, add or remove terms, or otherwise alter these Guidelines at any time with thirty (30) days' notice.
- 1.7 "Including" (whether or not capitalized) means "including but not limited to."
- 1.8 "Initial Term" is defined in Article 2.1.
- 1.9 "Law" means all existing and future federal, state, and local statutes, laws, codes, ordinances, decrees, rules, regulations, requirements, and orders, of any governmental authority, entity, or agency whether federal, state, municipal, local, or other government body or subdivision, including those relating to unemployment compensation, worker's compensation, disability, taxes, worker and public health and safety, the environment, and the Program.
- 1.10 "Materials and Activities" mean materials, supplies, tools, vehicles, equipment, labor, water, light, power, facilities, construction of any nature, supervision, and all other services, acts, activities, resources, and goods, but not Collection Containers, necessary for or otherwise used by the Service Provider to Collect, Pack, and otherwise comply with and fully perform its obligations under the Agreement.
- 1.11 "Non-Conforming Units" are Program Products that individual residents drop off at no-cost for recycling that are later determined to be contaminated or too damaged to recycle, and they must be disposed of as solid waste. Non-Conforming Units do not include any Units delivered by any entity other than an individual resident (i.e., a business or other entity).
- 1.12 "Non-Program Products" mean products not covered by the Program that are collected and/or managed by the Service Provider. Non-Program Products include: sleeping bags, pillows, an unattached mattress pad or mattress topper (even items with resilient filling intended to be used with or on top of a mattress), a car bed, crib or bassinet mattress, juvenile products or the pads used for such juvenile products, waterbeds, air mattresses that contain no upholstery material (such as a camping mattress), sofa beds and futons.
- 1.13 "Program Products" include "mattresses" (which are defined as a resilient material or combination of materials that is enclosed by a ticking [the outermost layer of fabric or related material of a mattress] and is intended or promoted for sleeping upon), "foundations" (for example, a box spring, which is used to support a mattress and may include constructed wood or other frames, steel springs, or other materials used alone or in combination), and a renovated mattress or renovated foundation.

- 1.14 "Program" means the California Used Mattress Recycling Program described in this Agreement.
- 1.15 "Services" means all services for which Service Provider is responsible, as described in this Agreement and in the Attachments hereto, including any and all Materials and Activities.
- 1.16 "State" means the State of California.
- 1.17 "Storage and Transportation Services Option" means the Service Provider's option to provide its own storage and transportation of Program Products from their collection location to an MRC-contracted recycler. If this option is selected on Attachment A, Service Provider will be bound to the terms in Attachment F "Storage and Transportation Services" for such Services.
- 1.18 "Temporary Collection Events" mean an event hosted by the Service Provider to Consolidate Program Products at locations within the State that are short in duration and not at permanent collection facilities.
- 1.19 "Transportation Providers" or "Transporter" means a contractor hired by MRC or Service Provider to transport Program Products from the Collection Facilities or Temporary Collection Events. This term will apply to the Service Provider if Service Provider selects the Storage and Transportation Option listed on Attachment A.
- 1.20 "Unit" means a single Program Product dropped off at a facility by a California resident at no charge. For example, an individual mattress and an individual box spring would each be a single Unit.

## **ARTICLE 2 – TERM OF AGREEMENT**

- 2.1 This Agreement will commence upon the Effective Date and will remain in full force and effect for a period of two (2) years (the "Initial Term").
- 2.2 Immediately after expiration of the Initial Term, this Agreement will automatically renew for additional successive one (1) year terms unless either party notifies the other in writing at least sixty (60) days in advance of the renewal term commencement date that the Agreement will not be renewed. The consideration of each option year will be the same as the consideration during the previous contract period, unless otherwise agreed to in writing by MRC.
- 2.3 If either party provides notice that the Agreement will not be renewed, the Service Provider, before the end of the term of the Agreement or at another time agreed to in writing by the parties, will (a) make all Collection Containers supplied by MRC or a subcontractor available for pick up by a Transportation Provider, (b) undertake the orderly cessation of the Services, and (c) cooperate fully in the orderly transition of the Services to its successor, if any.



### **ARTICLE 3 – GENERAL OBLIGATIONS OF THE SERVICE PROVIDER**

- 3.1 In consideration of MRC's payments, if any, to the Service Provider for Services, and for activities undertaken at MRC's expense, the Service Provider will perform the Services provided for in Attachment A ("Scope of Work") in conformity with the Program and Guidelines, except to the extent the Program and/or Guidelines conflict with the terms of this Agreement or any applicable Law.
- 3.2 The Service Provider will manage all Program Products Collected at the Collection Facilities only in accordance with Attachment A ("Scope of Work"), and will not dispose of Program Products in any other method without the prior written approval of MRC.
- 3.3 The Service Provider will be responsible for:
  - a. making day-to-day and critical decisions regarding the Services, including the management and supervision of all activities comprising the Services;
  - b. complying with all applicable Law; and
  - c. securing and locking the Collection Facilities at all times when the facilities are closed or not attended.
- 3.4 The Service Provider may amend Attachment E ("Collection Facility Information") to add or delete sites, subject to MRC's prior written approval for each such addition/deletion.
- 3.5 The Service Provider is responsible for and will manage, at its sole expense, any and all Non-Program Products it collects at the Collection Facilities or places in Collection Containers. MRC accepts no responsibility for such Non-Program Products, and will not pay Service Provider any consideration in connection with such Non-Program Products.
- 3.6 The Service Provider will not charge a per-unit fee to California residents that drop off Program Products with the Service Provider. This section does not preclude the Service Provider from charging fees for curbside collection or services other than Program Product drop off. Nothing in this Agreement prohibits the Service Provider from charging fees to California residents, businesses, or other entities for dropping off Non-Program Products.
- 3.7 The Service Provider will inspect each Unit before placing it in a Collection Container to confirm whether it is a Program Product. Service Provider will separate and document Non-Conforming Units dropped off by individual residents, will dispose of such Units as solid waste, and then will invoice MRC for such Units at rates listed in Attachment B. Non-Conforming Units obtained from businesses or other entities receive no compensation from MRC.
- 3.8 The Service Provider will provide the Services at its own risk and take reasonable precaution to protect all public and private property during the performance of the Services. If the Service Provider's personnel or equipment cause any damage to the property of MRC or its contractors, the Service Provider, at its sole expense, will promptly replace the damaged property or repair it to the condition existing before the damage.

- 3.9 The Service Provider will thoroughly familiarize itself with the nature and scope of the Services under this Agreement and with matters that may affect the Services, including the Law governing the Services, Guidelines, and this Agreement. Any failure by the Service Provider to thoroughly familiarize itself with such matters does not relieve the Service Provider of its obligations under this Agreement.
- 3.10 Work under this Agreement will be performed only by competent personnel under the indirect or direct management or supervision of the Service Provider.
- 3.11 The Service Provider will commit adequate resources to participate in the Program and meet its obligations under this Agreement, including providing, at its sole expense, any and all Materials and Activities.
- 3.12 The reporting and notification requirements identified in Attachment A ("Scope of Work") and elsewhere in this Agreement are an integral part of the Services. The Service Provider will comply with all reasonable requests from MRC for preparation, access, review, and/or adjustment of these deliverables throughout the term of this Agreement.
- 3.13 The Service Provider will inspect the Collection Containers upon arrival and determine whether they are in proper condition for use. MRC or its contractor is responsible for replacing any defective Collection Containers and repairing normal wear-and-tear to the Collection Containers. The Service Provider will immediately notify MRC if at any point during the term of the Agreement a Collection Container(s) is not in proper condition for use and will not use any such defective Collection Containers until they are repaired or replaced by MRC or its contractor. If a Collection Container is functional, but is delivered in a damaged condition, the Service Provider will notify MRC or its contractor in writing of the nature and location of such damage upon the arrival of the Collection Container.

#### **ARTICLE 4 – SERVICE PROVIDER REPRESENTATIONS AND WARRANTIES**

- 4.1 The Service Provider represents, covenants, and warrants that:
  - a. it is a public agency in good standing and qualified to carry on business in California, and has all necessary approval, capacity, and authority to enter into this Agreement and fully perform its obligations under this Agreement;
  - b. this Agreement does not in any way conflict with any other agreements of the Service Provider;
  - c. it possesses the business, professional, and technical expertise, as well as training, Materials and Activities, facilities, and equipment necessary and required to perform the Services;
  - d. it will perform the Services in a diligent, safe, and workmanlike manner that conforms with generally accepted industry, professional, and best management practices, and with the care and skill ordinarily exercised, for such Services; and

- e. it and/or its facilities, equipment, employees, or agents, have been issued, as of the date of this Agreement and throughout the term of the Agreement, all permits, licenses, certificates, or approvals required by applicable statutes, ordinances, orders, rules, regulations, and regulatory or administrative bodies necessary to perform the Services.

## **ARTICLE 5 – MRC OBLIGATIONS**

- 5.1 Upon receiving a request from the Service Provider, MRC will arrange for timely pick-up by a Transportation Provider of Program Products Consolidated by the Service Provider. MRC or an MRC contractor will, at its expense, arrange for the Transportation Provider to transport such Program Products after pick-up to intermediary locations, processors, or other final destinations that are part of the Program.
- 5.2 MRC will make available to the Service Provider consumer brochures and signage.
- 5.3 MRC's Transportation Provider will provide Collection Containers to the Service Provider, or approve use of the Service Provider's containers as Collection Containers, for each of the Collection Facilities. All Collection Containers supplied by MRC or a subcontractor will remain the property of the MRC or subcontractor (as applicable).
- 5.4 MRC has no authority to manage, direct, or supervise employees, representatives, or agents of the Service Provider, including how they perform the work and achieve compliance with applicable Law. MRC does not have responsibility for making day-to-day and critical decisions regarding the Services, including the management or supervision of any activities comprising the Services.
- 5.5 Nothing herein creates an exclusive arrangement between MRC and the Service Provider. The Service Provider may not restrict MRC from contracting with other entities under the Program.

## **ARTICLE 6 – COVENANTS OF MRC**

- 6.1 MRC covenants, represents, and warrants that:
  - a. it is a non-profit corporation validly existing under the laws of Delaware;
  - b. it has the corporate power, capacity, and authority to enter into and complete this Agreement; and
  - c. the execution and delivery of this Agreement has been validly authorized by all necessary corporate actions by MRC.

## **ARTICLE 7 – AGREEMENT TERMINATION**

- 7.1 The Service Provider acknowledges that, except for any payments for rendering Services as specifically provided for in Attachment A (“Scope of Work”) of this Agreement at the Compensation Rates set in Attachment B, and/or as otherwise set forth in this Agreement, it will not receive any other monetary payments under this Agreement.
- 7.2 MRC or the Service Provider may terminate this Agreement at any time without cause upon ten (10) days’ written notice to the other party.
- 7.3 Either party may terminate this Agreement or any Services under this Agreement immediately, upon prior written notice if the other party:
  - a) has breached any material provision of this Agreement, and has failed to cure such breach within thirty (30) days of receiving written notification of such breach; or
  - b) has violated applicable Law.
- 7.4 MRC may terminate this Agreement immediately:
  - a) if Service Provider fails to maintain the insurance requirements described in this Agreement; or
  - b) upon a finding by MRC in its sole and reasonable opinion that Service Provider has acted fraudulently or dishonestly in providing Storage and Transportation Services (as applicable).

## **ARTICLE 8 – TITLE AND RISK OF LOSS**

- 8.1 The parties acknowledge that the Program Products are not household hazardous waste.
- 8.2 The Service Provider (and not MRC) has title to and risk of loss and liability for any and all Program Products, Non-Conforming Units and Non-Program Products that the Service Provider receives. Notwithstanding the foregoing, once a Transportation Provider accepts for transportation any Program Products Collected by the Service Provider under this Agreement and Consolidated on a Collection Container, title to and risk of loss as to those Program Products, will transfer to that Transportation Provider. MRC at no time takes title to or assumes liability for any Program Products, Non-Conforming Units or Non-Program Products. However, MRC will require in its contracts with its Transportation Providers that they accept title and risk of loss immediately upon accepting any Program Products for transportation from the Service Provider.

## **ARTICLE 9 – CONSIDERATION AND PAYMENT**

- 9.1 As consideration under this Agreement, MRC or its contractors will (i) provide the Service Provider with Collection Containers, consumer brochures, and signage; (ii) facilitate the transportation of Program Products by Transportation Providers as set forth in this Agreement; (iii) pay the Service Provider for Services rendered as set forth in this Agreement; and (iv) perform other services incidental to the management of the Program.
- 9.2 MRC's payment to Service Provider for Services Rendered in the manner set forth in Attachment B ("Compensation Rates") will be made in U.S. currency. Other than as set forth in this Agreement, MRC will not provide the Service Provider with any monetary compensation or reimbursement for the Service Provider's Collection of Program Products, furnishing of the Materials and Activities, or its performance of the Services. After the completion of the first year of the contract, Service Provider may request one adjustment per year to the Compensation Rate if its labor or equipment rates change from the previous year. MRC, in its sole discretion, may grant or deny, in whole or in part, Service Provider's request for adjustment of Compensation Rates.
- 9.3 The Service Provider will invoice MRC on a monthly basis, either by hardcopy or electronically, as determined by MRC. Invoices furnished by the Service Provider under this Agreement must include the information included in Attachment C ("Model Invoice") and must state:
- a. the unique, identifying invoice number;
  - b. the specific work categories of Services provided for under the Agreement;
  - c. the specific number of Units consolidated;
  - d. copies of each Transportation Bill of Lading or equivalent shipping documentation that includes the information included in Attachment D's "Model Bill of Lading" validating the number of units consolidated; and
  - e. any additional information as agreed to in writing by the parties that is relevant to the Services being performed by the Service Provider.
- 9.4 Each invoice must include the signature of the Service Provider employee responsible for submitting the invoice and a certification that the invoice accurately reflects the Services performed.
- 9.5 MRC reserves the right to refuse payment of any invoice or portion thereof that is not received in a form consistent with this Agreement.
- 9.6 All amounts invoiced by the Service Provider to MRC, or paid by MRC to the Service Provider, are subject to audit by MRC, as described below in ARTICLE 10 – AUDIT AND INSPECTION RIGHTS OF MRC.
- 9.7 The Service Provider will submit all invoices to MRC using expense categories listed in Attachment C and by sending invoices to the address specified below.

MRC will send all payments due to the Service Provider to the address specified below.

To: Mattress Recycling Council Inc.  
Attn: Accounts Payable  
Fax: 703-683-4503  
Phone: 1-855-229-1691  
E-mail: payables@mattressrecyclingcouncil.org  
Address: 501 Wythe Street Alexandria, VA 22314

MRC will send all payments due to the Service Provider to the address specified below.

To: Helendale Community Services District  
Attn: General Manager  
Fax: (760) 951-0046  
Phone: (760) 951-0006  
E-mail: mail@helendalecsd.org  
Address: 26540 Vista Road, Suite B, Post Office Box 359, Helendale, CA 92342

- 9.8 Provided that the Service Provider has supplied the required information and otherwise performed its obligations under this Agreement, MRC will pay such invoice within forty-five (45) days of the date that MRC receives the invoice. In the event MRC has a good-faith objection to an invoice, MRC will pay the undisputed amount pursuant to the terms of this Agreement and notify in writing the Service Provider of said objections and describe in reasonable detail the basis for the objections. The Dispute Resolution provisions in ARTICLE 17 - DISPUTE RESOLUTION will be used to resolve such disputed portion of an invoice. During any such dispute, the Service Provider will continue with its responsibilities under this Agreement and will not stop providing the Services unless this Agreement is terminated pursuant to Article 7. MRC will make all payments due to the Service Provider over which there is no good-faith dispute.
- 9.9 MRC's payment of all or a part of an invoice neither relieves the Service Provider of any of its obligations under this Agreement nor constitutes a waiver of any claims by MRC.
- 9.10 The Service Provider warrants that, to the best of its knowledge, all documents, including invoices, billings, back-up information for invoices, and reports, submitted by the Service Provider to MRC to support amounts invoiced in connection with the Services truly reflect the facts about the activities and transactions to which they pertain. The Service Provider warrants that MRC, for

whatever purpose, may rely upon all such documents and the data therein as being complete and accurate. The Service Provider will promptly notify MRC upon discovery of any instances where the Service Provider becomes aware of any discrepancies in relation to documents under this Article.

#### **ARTICLE 10 – AUDIT AND INSPECTION RIGHTS OF MRC**

- 10.1 MRC and its representatives may (a) monitor and verify that the Service Provider has complied with this Agreement, the applicable Law, and Guidelines; and (b) consult with the Service Provider about such compliance; provided, however, that MRC will not, and affirmatively disclaims any ability to, control, supervise or manage (1) the employees of the Service Provider; (2) the activities undertaken by the Service Provider in the performance of this Agreement; and (3) the means by which the Service Provider meets all requirements, including applicable Law.
- 10.2 MRC may audit and inspect, with full access, the Service Provider's Collection Facilities during the Collection Facilities' hours of operation, as well as any other site at which the Service Provider performs the Services. MRC will provide the Service Provider with at least twenty-four (24) hours' notice before any such audit or inspection.
- 10.3 The Service Provider will maintain and make available to MRC, during regular business hours, accurate books and accounting records relating to its Services under this Agreement. The Service Provider will permit MRC to audit, examine, and make excerpts and transcripts, for any books or records, and to make audits of any invoices, materials, records, and other data related to all other matters covered by this Agreement, unless such documents are confidential in accordance with the California Public Records Act (Govt. Code § 6250 – 6276.48). The Service Provider will maintain such data and records in an accessible location and condition for a period of not less than three (3) years from the date produced under this Agreement or until after final audit has been resolved, whichever is later. The Service Provider will include this requirement in any subcontract for the performance of any of the Services under this Agreement.
- 10.4 In addition to those reports detailed in Attachment A ("Scope of Work"), the Service Provider will maintain the following records:
  - a. For each pick-up of Program Products by a Transportation Provider from a Collection Facility, a copy of the Bill of Lading or equivalent shipping documentation that includes the information included in Attachment D's "Model Bill of Lading", that will be provided by the Transporter;
  - b. Records confirming the number of Units the Service Provider received at each Collection Facility including:
    - i. The number transported to MRC-contracted recyclers,
    - ii. The number of Non-Conforming Units dropped off by individual residents that Service Provider disposes of as solid waste, and

- iii. The number transported to other entities;
- c. Records of any inspections required by Law; and
- d. Records of compliance for any required state and local employee trainings.

## **ARTICLE 11 – INDEMNIFICATION**

- 11.1 The Service Provider, and its successors and assigns (collectively, the “Indemnifying Party”), will, to the fullest extent allowed by law, indemnify, defend, and hold harmless MRC and its sole member (as identified under MRC’s Certificate of Incorporation), and their member companies, officers, directors, stockholders, employees, successors, assigns, attorneys, agents, and invitees (collectively, the “Indemnified Parties”) from and against any and all claims, demands, actions, losses, liabilities, damages, and all expenses and costs incidental thereto (collectively, “Claims”), including cost of defense, settlement, arbitration, and reasonable attorney’s fees, resulting from injuries to or death of persons, including but not limited to employees of either party hereto, and damage to or destruction of property or loss of use thereof, including but not limited to the property of either party hereto, arising out of, pertaining to, or resulting from the acts or omissions of the Indemnifying Party, or the acts or omissions of anyone else directly or indirectly acting on behalf of the Indemnifying Party, its officers, agents, employees, or contractors, or for which the Indemnifying Party is legally liable under law excepting only such injury, death, or damage to the extent caused by the active negligence or willful misconduct of an Indemnified Party.
- 11.2 MRC, and its successors and assigns (collectively, the “MRC Indemnifying Party”), will, to the fullest extent allowed by law, indemnify, defend, and hold harmless the Service Provider and its officers, directors, stockholders, employees, successors, assigns, attorneys, agents, and invitees (collectively, the “MRC Indemnified Parties”) from and against any and all claims, demands, actions, losses, liabilities, damages, and all expenses and costs incidental thereto (collectively, “Claims”), including cost of defense, settlement, arbitration, and reasonable attorney’s fees, resulting from injuries to or death of persons, including but not limited to employees of either party hereto, and damage to or destruction of property or loss of use thereof, including but not limited to the property of either party hereto, arising out of, pertaining to, or resulting from the acts or omissions of the MRC Indemnifying Party, or the acts or omissions of anyone else directly or indirectly acting on behalf of the MRC Indemnifying Parties, or for which the MRC Indemnifying Party is legally liable under law excepting only such injury, death, or damage to the extent caused by the active negligence or willful misconduct of an MRC Indemnified Party.
- 11.3 The following provisions apply to Paragraphs 11.1 and 11.2 above:



- a. This indemnity will not be limited by the types and amounts of insurance or self-insurance maintained by the Indemnifying or Indemnified Parties or their contractors;
  - b. Nothing in this indemnity will be construed to create any duty to, any standard of care with reference to, or any liability or obligation, contractual or otherwise, to any third party; and
  - c. The provisions of this indemnity will survive the expiration or termination of this Agreement.
- 11.4 NEITHER MRC NOR HCSD WILL BE LIABLE FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL, PUNITIVE, OR INCIDENTAL DAMAGES, WHETHER BASED ON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR ANY OTHER LEGAL THEORY, EVEN IF ADVISED OF SUCH POTENTIAL DAMAGES. NOTHING IN THIS AGREEMENT CONSTITUTES A WAIVER OR LIMITATION OF ANY RIGHTS THAT MRC OR HCSD MAY HAVE UNDER THE APPLICABLE LAW.

#### **ARTICLE 12 – INSURANCE**

- 12.1 The Service Provider at its own expense must maintain environmental and commercial general liability insurance with limits for each of not less than \$1 million for each occurrence, as well as any other insurance, such as, for example and without limitation, worker's compensation and automobile insurance, to the extent and in the amounts required by applicable law.
- 12.2 Service Provider must name MRC and its sole member (as identified under MRC's Certificate of Incorporation), and their officers, agents, and employees as additional insureds on its commercial general liability insurance policy. To the extent the Service Provider's commercial general liability insurance includes a blanket provision adding additional insureds where required by contract, this Agreement is deemed to require that MRC and its sole member (as identified under MRC's Certificate of Incorporation), and their officers, agents, and employees are named as additional insureds on the Service Provider's commercial general liability insurance by separate endorsement. Service Provider's general liability insurance must be on a primary and non-contributory basis to any coverage available to MRC.
- 12.3 If Service Provider exercises the Storage and Transportation Services Option, it will also maintain business automobile insurance with limits of not less than \$1 million combined single limit. Service Provider will provide a Certificate of Insurance with regard to the business automobile coverage that names MRC and its sole member (as identified under MRC's Certificate of Incorporation), and their officers, agents, and employees are named as additional insureds. No exclusion will be permitted in any event if it conflicts with a coverage expressly required in

this Agreement, including but not limited to the indemnity provisions in Article 11 of the Agreement.

- 12.4 Service Provider is required to provide MRC with notification of any cancellation or change in Service Provider's insurance coverage during the period of the Agreement with MRC. Such notification must be made not less than sixty (60) days' prior to the date said cancellation or change becomes effective.
- 12.5 In the event a Certificate of Insurance required by this Article should expire or be cancelled during the term of this Agreement, Service Provider agrees to provide, at least sixty (60) days prior to said expiration or cancellation, a new Certificate of Insurance evidencing coverage, as provided for herein, for not less than the remainder of the Agreement. In the event Service Provider fails to keep in effect at all times insurance coverage as herein provided, MRC may, in addition to any other remedies it may have, terminate this Agreement upon occurrence of such event.
- 12.6 Service Provider will require all third parties that it uses to provide any services under this contract to comply with the same insurance requirements specified above.
- 12.7 Compliance by Service Provider with the foregoing requirements to carry insurance and furnish certificates will not relieve Service Provider from liability assumed under the provisions of this Agreement.
- 12.8 Upon the request of MRC, Service Provider must be able to provide evidence of insurance.

### **ARTICLE 13 – ASSIGNMENT AND SUBCONTRACTING**

- 13.1 The Service Provider may not assign, novate, or otherwise transfer (including transfer by operation of law) this Agreement or the obligations and rights hereunder without the express written consent of MRC, which consent will not be unreasonably withheld. Any change of control by the Service Provider constitutes an assignment that requires prior written consent. A "change of control" includes, among other items, any merger, consolidation, sale of all or substantially all of the assets, or sale of a substantial block of stock. Any attempted assignment, novation, or other transfer made in violation of this Article is void and has no effect.
- 13.2 MRC may not assign, novate, or otherwise transfer (including transfer by operation of law) this Agreement or the obligations and rights hereunder without the express written consent of the Service Provider, which consent will not be unreasonably withheld. Any change of control by MRC constitutes an assignment that requires prior written consent. Any attempted assignment, novation, or other transfer made in violation of this Article is void and has no effect.
- 13.3 The Service Provider may subcontract any part of the Services with MRC's prior written permission, such permission not to be unreasonably withheld. As part of

any subcontract relating to this Agreement, the Service Provider must include the following Articles and Attachments to the extent applicable for the Services being provided by the Subcontractor: ARTICLE 8 – TITLE AND RISK OF LOSS, ARTICLE 10 – AUDIT AND INSPECTION RIGHTS OF MRC, ARTICLE 12 - INSURANCE, ARTICLE 18 – COMPLIANCE WITH LAW, ARTICLE 19 – CONFIDENTIALITY/PUBLICITY, Attachment A (“Scope of Work”), and Attachment D (“Guidelines”). Nothing contained in this Agreement or otherwise creates any contractual relationship between MRC and any subcontractor of the Service Provider. A subcontract does not relieve the Service Provider of its responsibilities and obligations hereunder. The Service Provider is as fully responsible to MRC for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Service Provider.

- 13.4 The Service Provider’s obligation to pay its subcontractors is an obligation independent from MRC’s obligation to make payments to the Service Provider. As a result, MRC has no obligation to pay or to enforce the payment of any moneys to any subcontractor of the Service Provider.

#### **ARTICLE 14 – FORCE MAJEURE**

- 14.1 Any delay or failure of either party to perform its obligations hereunder will be suspended if, and to the extent, it is caused by the occurrence of a Force Majeure. In the event that either party intends to rely upon the occurrence of a Force Majeure to suspend or to terminate its obligations, such party will notify the other party in writing, in accordance with the requirements of Article 15, within 2 business days after becoming aware of the Force Majeure, or as soon as reasonably possible, setting forth the particulars of the circumstances. Written notices will likewise be given after the effect of such occurrence has ceased.
- 14.2 An occurrence of a “Force Majeure” means riots, wars, civil disturbances, insurrections, acts of terrorism, epidemics, acts of nature (or any threat of such occurrences) whose effects prevent safe passage of vehicles upon state or federal highways for a continuing period of not less than fourteen (14) days and federal or state government orders, any of which is beyond the reasonable anticipation or control of the applicable party and which prevents performance of this Agreement, but only to the extent that due diligence is being exerted by the applicable party to resume performance at the earliest possible time.

#### **ARTICLE 15 – NOTICES**

- 15.1 Except where otherwise expressly authorized, notice will be by, facsimile, first class certified or registered mail, or by commercial delivery service issuing a receipt for delivery. Notices will be addressed as set forth below. Either party may change the address information below by providing written notice to the other party. Notice is effective upon delivery, or if delivery is refused, when delivery is attempted.

To: Mattress Recycling Council Inc.  
Attn: Mike O'Donnell  
Email: mikeo@mattressrecyclingcouncil.org  
Address: 501 Wythe Street Alexandria, VA 22314

To: Helendale Community Services District  
Attn: General Manager  
Fax: (760) 951-0046  
Phone: (760) 951-0006  
E-mail: mail@helendalecsd.org  
Address: 26540 Vista Road, Suite B, P.O. Box 359, Helendale, CA 92342

#### **ARTICLE 16 – INDEPENDENT CONTRACTOR STATUS**

- 16.1 The parties intend that the Service Provider, in performing the Services specified herein, is acting as an independent contractor and that the Service Provider will control the work and the manner in which it is performed. This Agreement is not intended and may not be construed to create the relationship between the parties of agent, servant, employee, partnership, joint venture, or association.
- 16.2 Each party, or its subcontractors, as appropriate, is solely liable and responsible for providing all compensation and benefits due to, or on behalf of, all persons performing work on its behalf in connection with this Agreement. Neither party has any liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the other party.
- 16.3 Each party understands and agrees that all persons performing work pursuant to this Agreement are, for purposes of Workers' Compensation liability, solely employees of that party and not employees of the other party. Each party is solely liable and responsible for furnishing any and all Workers' Compensation benefits to its employees as a result of any injuries arising from or connected with any work performed by or on behalf of that party pursuant to this Agreement.
- 16.4 Third-party Transportation Providers are independent contractors and are not employees, partners, or agents of either party. Neither party is liable for the acts or omissions of third-party Transportation Providers under this Agreement. However, if Service Provider exercises the Storage and Transportation Services Option, Service Provider will be liable for any acts or omissions in providing such services.

## **ARTICLE 17 - DISPUTE RESOLUTION**

- 17.1 In the event of any dispute arising out of or relating to this Agreement, the Parties shall attempt in good faith to promptly resolve the dispute mutually between themselves, or through mediation. If the dispute cannot be resolved by mutual agreement, nothing herein shall preclude either Party's right to pursue remedy or relief by civil litigation pursuant to the laws of the State of California.
- 17.2 The parties agree to consolidation of any arbitration between them with any other arbitration involving, arising from, or relating to this Agreement.
- 17.3 Each party hereto accepts the jurisdiction of the courts of the State of California for the purposes of commencing, conducting, and enforcing an arbitration proceeding pursuant to this Article. Each party will accept service of notice of the other party's intent to proceed with arbitration, and of any other step in connection therewith or enforcement thereof, if such notice is in writing and sent by certified letter addressed to said party according to Article 15.1, and such notice will have the same effect as if the party had been personally served within the State of California.
- 17.4 Any decision of an arbitrator engaged under this Article is final, binding, and enforceable upon both parties.
- 17.5 The Service Provider will continue with its responsibilities under this Agreement during any dispute.
- 17.6 The parties will continue to work during the dispute resolution process in a diligent and timely manner in accordance with all applicable provisions of this Agreement.
- 17.7 Each party hereto will bear the costs and expenses incurred by it in connection with such arbitration processes. The cost of any independent decision maker will be shared equally between the parties.

## **ARTICLE 18 – COMPLIANCE WITH LAW**

- 18.1 Each party will comply with all Law applicable to this Agreement.
- 18.2 The Service Provider will promptly notify MRC in writing upon discovery of any failure, or any allegation of any failure, of the Service Provider or other persons or entities to comply with any applicable Law relevant to the performance of Services or any requirement of this Agreement.
- 18.3 Duties and obligations imposed by this Agreement, and rights and remedies available thereunder, are in addition to (and not a limitation of) duties, obligations, rights, and remedies otherwise imposed or afforded by applicable Law.
- 18.4 MRC will comply with all certification and disclosure requirements prescribed by Section 319, Public Law 101-121 (31 U.S.C. § 1352) and any implemented regulations.

- 18.5 If services under this Agreement are funded with state funds granted to Service Provider, MRC will not utilize any such funds to assist, promote or deter union organization by employees performing work under this Agreement and will comply with the provisions of Government Code Sections 16645 through 16649.
- 18.6 The Service Provider will provide MRC with sixty (60) days' prior written notice before entering into negotiations or engaging in any direct or indirect lobbying activities with any government authority or agency to develop any variance or revision to Cal. Public Resources Code §§ 42985 – 42994.

#### **ARTICLE 19 – CONFIDENTIALITY/PUBLICITY**

- 19.1 The Service Provider will not disclose any details in connection with this Agreement to any person or entity without MRC's prior written authorization, except as may be otherwise provided hereunder or required by law. However, in recognizing the Service Provider's need to identify its services and related clients to sustain it, MRC will not inhibit the Service Provider from publishing its role in the Program within the following conditions:
- a. The Service Provider may utilize and develop publicity material regarding the MRC Program only upon the prior written consent of MRC, which consent will not be unreasonably withheld; and
  - b. During the term of the Agreement, the Service Provider will not, and will not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of MRC without the prior written consent of MRC, which consent will not be unreasonably withheld.
- 19.2 The Collection Facilities may be listed, referenced, or advertised as collection sites by MRC for the Program during the term of this Agreement.
- 19.3 To the extent that the Service Provider is subject to disclosure requirements under the California Public Records Act (Govt. Code § 6250 – 6276.48) and other applicable federal, state, and local public record laws (collectively, "the Disclosure Laws"), the following additional terms apply:
- a. The Service Provider acknowledges that MRC claims that the pricing information in this Agreement constitutes proprietary information; and
  - b. In the event the Service Provider receives a request for disclosure of such information or disclosure under the Disclosure Laws, the Service Provider will provide MRC with reasonable prior notice, and in no case less than ten (10) days' notice, of the request prior to disclosing the information or documentation. If MRC claims the information or documentation is exempt from disclosure under the Disclosure Laws, it must obtain a protective order, injunctive order, or other appropriate remedy from a California court of law before the Service Provider's deadline for responding to the request. If MRC fails to obtain such judicial relief within that time, the Service Provider may disclose the requested information without any penalty or liability to MRC.

## ARTICLE 20 – MISCELLANEOUS PROVISIONS

- 20.1 **No Waiver.** The failure at any time to enforce any provision of this Agreement or failure to exercise any right herein granted does not constitute a waiver of such provision or of such right thereafter to enforce any or all of the provisions of this Agreement.
- 20.2 **Selective Waiver.** Either party may waive any default by the other party under this Agreement by an instrument in writing to that effect and no such waiver will extend to any subsequent or other default by the other party. No failure or delay on the part of either party to exercise any right hereunder operates as a waiver thereof. Either party may elect to selectively and successively enforce its rights hereunder, such rights being cumulative and not alternative.
- 20.3 **Entire Contract/Order of Precedence.** This Agreement and all Attachments and exhibits hereto, and all referenced documents, including the Guidelines, constitute the entire agreement between the parties with respect to the matters herein, and integrates, merges, and supersedes all prior negotiations, representations, or agreements relating thereto, whether written or oral, except to the extent they are expressly incorporated herein. The provisions of this Agreement and the accompanying document are to be construed and interpreted as consistent whenever possible. Any conflicts in this Agreement and the accompanying documents will be resolved in accordance with the following descending order of precedence:
- a. Attachment A (“Scope of Work”);
  - b. Attachment B (“Compensation Rates”);
  - c. Attachment F (“Storage and Transportation Services”), if applicable;
  - d. The terms of this Agreement;
  - e. Attachment D Guidelines;
  - f. Attachment E (“Collection Facility Information”); and
  - g. Attachment C (“Model Invoice”).
- 20.4 **Amendment or Modification.** Unless otherwise provided herein, no amendments, changes, alterations, variations, or modifications to this Agreement will be effective unless in writing and signed by the respective duly authorized officers of the parties hereto.
- 20.5 **Additional Sites.** Service Provider, either currently or in the future, may have additional sites, solid waste facilities, collection facilities or subsidiaries (“Additional Sites”) that it wishes to add to this Agreement. Additional Sites may become a Service Provider under this Agreement by executing its own Compensation Rate form in Attachment B. The Additional Sites will then be governed by the terms of this Agreement and the Attachments hereto (including its personalized Compensation Rate form in Attachment B). Any changes or modifications made by an Additional Site to Attachment B will not affect other Service Providers that exist under this Agreement, nor will it change or modify

any of the other Service Providers' terms, conditions, responsibilities and/or liabilities under this Agreement.

- 20.6 **Governing Law/Venue.** This Agreement is executed and intended to be performed in the State of California, and the laws of that State will govern its interpretation and effect. Any legal proceedings relating to this Agreement will initially be brought before a court of jurisdiction prescribed by law in the State of California.
- 20.7 **Severability.** If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof will remain in full force and effect and will in no way be affected, impaired, or invalidated thereby.
- 20.8 **Calendar Days.** Any reference to the word "day" or "days" herein will mean calendar day or calendars days, respectively, including weekends and Federal Holidays, unless otherwise expressly provided. If a deadline falls on a weekend or Federal Holiday, the next business day will be the applicable deadline.
- 20.9 **No Third-Party Beneficiary.** This Agreement is intended solely for the benefit of the parties hereto, and no third party has any right or interest in any provision of this Agreement or as a result of any action or inaction by any party in connection therewith.
- 20.10 **Authorization.** Each party represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations set forth herein. The representative(s) signing this Agreement on behalf of each party represents that he/she has the authority to execute this Agreement on behalf of the applicable party and to bind it to its contractual obligations hereunder.
- 20.11 **Survival of Terms.** All services performed and deliverables provided pursuant to this Agreement are subject to all of the terms, conditions, price discounts and rates set forth herein, notwithstanding the expiration of the initial term of this Agreement or any extension thereof. Further, the terms, conditions and warranties contained in this Agreement that by their sense and context are intended to survive the completion of the performance, cancellation or termination of this Agreement will so survive, including but not limited to: ARTICLE 4 – SERVICE PROVIDER REPRESENTATIONS AND WARRANTIES; ARTICLE 8 – TITLE AND RISK OF LOSS; ARTICLE 10 – AUDIT AND INSPECTION RIGHTS OF MRC; ARTICLE 11 – INDEMNIFICATION; ARTICLE 12 – INSURANCE; ARTICLE 16 – INDEPENDENT CONTRACTOR STATUS; ARTICLE 17 - DISPUTE RESOLUTION; ARTICLE 18 – COMPLIANCE WITH LAW; ARTICLE 19 – CONFIDENTIALITY/PUBLICITY; and ARTICLE 20 – MISCELLANEOUS.



**IN WITNESS WHEREOF**, the parties have each caused this Agreement to be executed by its duly authorized representative on the day and year set forth above.

By:

\_\_\_\_\_  
Authorized Signatory  
**Mattress Recycling Council, Inc.**

\_\_\_\_\_  
Authorized Signatory  
**Helendale Community Services District**

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Title

\_\_\_\_\_  
Print Title

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## ATTACHMENT A: SCOPE OF WORK

As part of the Services under this Agreement, the Service Provider will do the following:

- 1) Provide the Services necessary to consolidate acceptable Program Products dropped off by individual California residents free of charge into Collection Containers for pick up by Transportation Providers.
- 2) Include no Non-Program Products, no Non-Conforming Units and no Units that are unsuitable for recycling in the Collection Containers provided by MRC or its subcontractors.
- 3) If exercising the Storage and Transportation Services Option, Service Provider will provide the services described in Attachment F.

Please mark here if Service Provider elects to exercise this option.

- 4) If not exercising the Storage and Transportation Services Option for some or all of the Scope of Work, notify Transporter *before* collection containers are full to allow adequate time for Transporter to schedule pick-up services.
- 5) Provide to MRC a minimum of ninety (90) days' advance notice of any Temporary Collection Events conducted by the Service Provider that include the Collection of Program Products dropped off by individual California residents free of charge to be picked up by Transportation Providers at the Temporary Collection Event.
- 6) Provide reports to MRC on a monthly basis, within thirty (30) days after the end of each month, containing the date and location of any such Temporary Collection Events held by or on behalf of the Service Provider.

**ATTACHMENT B: COMPENSATION RATES**

**Service Provider:** \_\_\_\_\_

<b>Service</b>	<b>Description</b>	<b>Unit Price</b>
<b><u>Program Product Consolidation</u></b>	MRC will compensate the Service Provider for all Units of Program Products dropped off by California residents free of charge that Service Provider Consolidates in a Collection Container picked up by a Transportation Provider. The Service Provider will not place either Non-Program Products, Non-Conforming Units or Units that are unsuitable for recycling in such Collection Containers.	\$___ per Unit
<b><u>Solid Waste Disposal of Non-Conforming Units</u></b>	MRC will compensate Service Provider for disposal of Non-Conforming Units dropped off by individual California residents free of charge. Excludes Units dropped off by businesses or other entities.	\$___ per Unit
<b><u>Storage and Transportation Services Option</u></b>	Service Provider may provide its own storage container and Transportation Services to transport above Units to an MRC-contracted recycler. Such Services will be governed by Attachment F ("Storage and Transportation Services")	Storage Container: \$___ per Month per Storage Container  Transport: \$___ per Trip

By initialing this form, the parties agree to the Compensation Rates above:

MRC initials: \_\_\_\_\_ Service Provider initials: \_\_\_\_\_

**Additional Sites:** Pursuant to Section 20.5 of the agreement entitled "California Used Mattress Recycling Program Collection Facility and Used Mattress Management Services Agreement" entered into between the Mattress Recycling Council, Inc. and \_\_\_\_\_, executed on \_\_\_\_\_, 201\_\_ (the "Agreement"), this Attachment B form may be used to add Additional Sites to the Agreement. By signing below, the Additional Site hereby agrees that the Agreement's terms will govern its relationship with MRC, and it accepts all the same terms, conditions, responsibilities and liabilities attributed to a Service Provider as set forth in the Agreement.

**IN WITNESS WHEREOF**, the parties have each caused this Agreement to be executed by its duly authorized representative on the day and year set forth above.

By:

\_\_\_\_\_  
Authorized Signatory  
**Mattress Recycling Council, Inc.**

\_\_\_\_\_  
Authorized Signatory  
\_\_\_\_\_  
**[Name of Additional Site/Service Provider]**

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Title

\_\_\_\_\_  
Print Title

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Notices and Payments for Service Provider should be sent to:

Attn: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

**ATTACHMENT C: MODEL INVOICE**

**Service Provider:** \_\_\_\_\_

**Collection Facility Location:** \_\_\_\_\_

**Unique Identifying Invoice Number:** \_\_\_\_\_

Service (refer to Attachment B of Agreement for definitions of below Service terms)	Quantity of Units	Unit Price	Invoiced Amount
Program Product Consolidation		\$___ per Unit	
Program Product Consolidation – not from individuals (retail, business, etc)		No compensation	
Solid Waste Disposal of Non-Conforming Units		\$___ per Unit	
TOTAL			

**The above invoice represents, to the best of my knowledge, complete and accurate information regarding the Services rendered and for which the Service Provider seeks payment through the Program. I hereby certify on behalf of the Service Provider that the attached back-up documentation is accurate.**

**Name:**

**Company Title:**

**Date:**

**ATTACHMENT D: GUIDELINES**



**Mattress  
Recycling  
Council**

**California Mattress Recycling Program  
COLLECTION GUIDELINES**

October 2015

# TABLE OF CONTENTS

2 .....Program Materials  
5 .....Mattress Collection & Handling  
7 ..... Transportation & Recycling  
7 ..... Recordkeeping  
7 ..... Program Withdrawal & Termination

## CONTACTS

### MRC Program Coordinators

Mark Patti  
Southern California Coordinator  
661-302-8888

Rodney Clara  
Northern California Coordinator  
415-509-8453

Mattress Recycling Council Inc.  
501 Wythe Street  
Alexandria, VA 22314  
[www.mattressrecyclingcouncil.org](http://www.mattressrecyclingcouncil.org)

### About the Mattress Recycling Council

In 2013, California enacted Senate Bill 254, later amended by Senate Bill 1274, which requires mattress manufacturers to create a recycling program for mattresses discarded in the state. The Mattress Recycling Council (MRC) is the non-profit organization established by the mattress industry to develop and operate the California mattress recycling program. The Program will start on December 30, 2015.

MRC has contracted with service providers to transport and recycle mattresses and box-springs from collection sites throughout the state. For simplicity, we will refer to both mattresses and box-springs as just mattresses. These Guidelines describe the Program and what your facility needs to do to participate. MRC reserves the right to update, change, modify, amend, add or remove terms, or otherwise alter these Guidelines at any time with or without prior notice.

### What MRC Provides

Staff at all participating collection sites must be knowledgeable regarding these Guidelines before accepting mattresses.

MRC provides the following to participating solid waste facilities:

- A collection container to store mattresses that is appropriate for the number of mattresses that the collection site expects to generate and the site's available space
- Transportation from the solid waste facility to a contracted recycler
- No-cost mattress recycling services

## PROGRAM MATERIALS

### ACCEPTABLE

Only mattresses used and discarded in California can be accepted by the Program. The pictures below exemplify mattresses that are acceptable by the program.



A participating collection site may not charge for mattresses that are dropped off by individuals at its site and recycled through the Program.



## UNACCEPTABLE

- Out-of-state mattresses
- Severely damaged, twisted, wet, frozen or soiled mattresses
- Mattresses infested with bed bugs or other living organisms
- Sleeping bags
- Pillows and cushions
- Loose bedding, blankets or sheets
- Car beds
- Juvenile products, i.e., a carriage, basket, dressing table, stroller, playpen, infant carrier, lounge pad, or crib bumper
- Water beds
- Camping air mattresses
- Fold-out sofa beds
- Futons and furniture
- Loose mattress pads and toppers



## Mattress Inspection and Examination

Facility staff should screen incoming mattresses to determine whether they are suitable for recycling and should remove mattresses that are:

- Excessively wet or frozen
- Severely twisted, punctured or crushed
- Infested with bed bugs or other living organisms
- Exceptionally soiled or moldy

*Mattresses not suitable for recycling should be disposed of through your existing solid waste stream.*

## Bed Bug Identification

Mattresses and box springs infested with bed bugs are unacceptable for recycling and should be disposed of through your existing solid waste stream. Staff at collection sites should evaluate program materials for evidence of bed bug infestation.



*Bed bugs are tan to brown in color, but may appear redder if they have fed.*

**Adult Bed Bugs** are dorsally flat insects, broadly oval, and the size of an apple or melon seed (1/4").

**Nymphs** look like adults in shape but are smaller.

**Eggs** are white and barrel shaped.

*Signs of bed bug activity may be more obvious than the insects themselves. Look for clusters of dark spots or smudges on mattresses (fecal spots), especially along seams. Eggs, shed skins, and all life stages of bed bugs may also be present in these 'soiled' areas.*



For more information on bed bugs, please refer to the resources made possible by the Connecticut Coalition Against Bed Bugs at [www.ct.gov/caes/CCABB](http://www.ct.gov/caes/CCABB)

## MATERIALS COLLECTION & HANDLING

Each collection site will have unique operational considerations. Participating facilities must make their own decisions about how to best manage their operations in the safest manner possible in accordance with applicable laws. At a minimum, each participating site must meet these requirements:

MINIMUM PROGRAM REQUIREMENTS	
<b>SITE</b>	Each collection site must be secure with adequate space and staffing to handle and store acceptable mattresses.
<b>PERMITS</b>	Each collection site must have knowledge of, and comply with all applicable federal, state and local laws. These may include, but are not limited to, zoning requirements, state permit requirements, and OSHA or other workplace requirements. Please contact your Local Enforcement Agency (LEA) to confirm whether your site is in compliance with all applicable notifications or requirements for accepting mattresses for recycling at your site. In many cases, this will be your County or local Public Health Department.
<b>INSURANCE</b>	Each collection site must maintain general liability insurance of at least \$1,000,000 per occurrence.
<b>TRAINING</b>	Staff at each collection site must be trained and knowledgeable regarding these Guidelines before accepting mattresses for recycling.
<b>STORING &amp; LOADING MATTRESSES</b>  <i>See page 6 for photos and guidelines</i>	Collection sites must keep mattress dry by storing in weather proof containers, or under cover, to maximize their recyclability. In addition, all collection sites must: <ul style="list-style-type: none"> <li>▪ Make every effort to place mattresses in MRC-designated storage containers immediately upon acceptance</li> <li>▪ Keep mattresses intact and not intentionally crush or puncture them</li> <li>▪ Efficiently stack mattresses to maximize the number of units loaded in each storage container</li> <li>▪ Provide oversight to keep unacceptable items out of MRC-designated storage containers</li> <li>▪ Remove any non-program materials from MRC-designated storage containers before transport to MRC recyclers</li> <li>▪ Practice good housekeeping standards, and keep storage containers and program materials in a neat and orderly condition</li> </ul>
<b>SITE ACCESS</b>	Collection sites must allow MRC access to confirm compliance with these Guidelines.

## Loading Mattresses in Storage Containers

Container Type	Number of Mattresses
20-foot sea container	25-40
30-yard roll-off container	25-35
40-yard roll-off container	25-40
48-foot trailer	110-180
53-foot trailer	125-190

Expected number of mattresses that should fit in various container sizes



*Mattresses and box springs must be packed as efficiently as possible to maximize the number of units in each container.*

## TRANSPORTATION AND RECYCLING

### Transporters

MRC will assign each collection site a transporter to provide a storage container and transport services.

- MRC contracted transporters will provide participating locations with evidence of automobile insurance coverage of at least \$1,000,000 per occurrence
- Each collection site must notify transporter at least 2 business days before a storage container is full of mattresses
- The assigned transporter will pick up full containers and drop off an empty container at the same time
- On the scheduled pick up day, the collection site must make the collection container readily accessible to the transporter
- At the time of pick-up, collection site staff must be present to sign a three-part Bill of Lading (BOL) supplied by the transporter that details the quantity of mattresses in the container, and must provide appropriate copies of the BOL to the transporter

A collection site may choose to provide its own storage containers and transportation at its own cost. These locations must contact the recycler directly to arrange for a convenient drop-off time.

### Recyclers

Recyclers under contract with MRC will meet established recycling standards and accurately account for all mattresses it receives, the mattress components it recycles (e.g., foam, steel, wood, fiber, etc.), and any residual disposal. Solid waste facilities will be assigned a recycler by MRC to best service your facility.

## PROGRAM WITHDRAWAL & TERMINATION

A collection site's participation in the California mattress recycling program is voluntary. Either party may withdraw from participation with 30 days' notice to the other party. MRC reserves the right to remove any collection site not in compliance with these Guidelines from further participation in the Program.

## RECORDKEEPING

### Bill of Lading:

A Bill of Lading (BOL) will be provided by the transporter. Before a full container leaves the site, the BOL must be completed and signed by facility staff. Following is a sample BOL and required information:

**BILL OF LADING**  
Unique BOL #: pre-printed #

Date:

Collection Site/ Generator

**Facility Name and Operator:**

**Address:**

**Type of Collection Site:**  solid waste facility  mattress retailer  other \_\_\_\_\_

**Collection Container Type:**  20 ft. sea container  30 yd. roll-off  40 yd. roll-off

53 ft. trailer  48 ft. trailer  other: \_\_\_\_\_

**Collection Site Count:** Mattress and Box Spring Units: \_\_\_\_\_

**Collection Site Certified Net Weight (if available):** \_\_\_\_\_ lbs.

I hereby certify that to the best of my knowledge, the above information is accurate, and all of the products described in this document were used and discarded in California.

\_\_\_\_\_  
Name (print), Title Signature Date

Transporter

**Company Name:**

**Address:**

**Truck #:**

\_\_\_\_\_  
Name (print), Title Signature Date

Mattress Recycler

**Date:** \_\_\_\_\_ **Company Name:** \_\_\_\_\_

**Address:**

**Recycler Count:** Mattress Units: \_\_\_\_\_ Box Spring Units: \_\_\_\_\_

**Net Weight of all Mattress and Box Spring Units:** \_\_\_\_\_ lbs.

**Comments/Count Discrepancies:**

I hereby certify that to the best of my knowledge, the above information is accurate, and all of the products described in this document were used and discarded in California.

\_\_\_\_\_  
Name (print), Title Signature Date

**ATTACHMENT E: COLLECTION FACILITIES / EVENTS**

*Provide all applicable information.*



- 1. Type: (fixed or temporary event)
- 2. Name of site/event
- 3. Street address for site or event
- 4. City, State, Zip Code for site or event
- 5. Permit holder
- 6. Phone # for general public
- 7. Days/hours
- 8. Drop off limits (self-imposed)
- 9. Service area (cities/towns)
- 10. Special site/event notes
- 11. Contact person's name and title
- 12. Contact person's agency/company
- 13. Contact person's phone
- 14. Contact person's email
- 15. Promote site/event on MRC site locator? (yes/no)
- 16. Advertise site in MRC ads? (yes/no)
- 17. Best newspapers and radio stations for promoting this site/event?
- 18. Additional information




1. Type: (fixed or temporary event)	
2. Name of site/event	
3. Street address for site or event	
4. City, State, Zip Code for site or event	
5. Permit holder	
6. Phone # for general public	
7. Days/hours	
8. Drop off limits (self-imposed)	
9. Service area (cities/towns)	
10. Special site/event notes	
11. Contact person's name and title	
12. Contact person's agency/company	
13. Contact person's phone	
14. Contact person's email	
15. Promote site/event on MRC site locator? (yes/no)	
16. Advertise site in MRC ads? (yes/no)	
17. Best newspapers and radio stations for promoting this site/event?	
18. Additional information	





## **ATTACHMENT F: STORAGE AND TRANSPORTATION SERVICES**

### **1. COMPENSATION**

#### **1.1. Rates.**

1.1.1. The Rates for Storage and Transportation Services are set forth in Attachment B "Compensation" of this Agreement, and are incorporated by reference herein.

#### **1.2. Payments to Service Provider.**

1.2.1. In order to receive payment from MRC for Storage and Transportation Services, Service Provider, at its own expense, must provide MRC with a properly completed Bill of Lading as shown in Attachment D's Guidelines, and an invoice as shown in Attachment C properly accounting for the Storage Containers and the Transportation Services.

### **2. SCOPE OF STORAGE AND TRANSPORTATION SERVICES**

Service Provider's responsibilities for providing Storage and Transportation Services are as follows:

#### **2.1. General Requirements.**

2.1.1. All Program Products placed in Collection Containers will become the responsibility of Service Provider until they are delivered to an MRC-contracted recycler, at which point responsibility and property will transfer to the recycler. At no time, however, will Service Provider own such Program Products.

2.1.2. Service Provider will provide, at its expense, a Bill of Lading to the recycler in a format that conforms to the Model Bill of Lading included in the Guidelines in this Agreement, Attachment D.

2.1.3. Service Provider will take reasonable precaution to protect all public and private property during the performance of its responsibilities under this Agreement.

2.1.4. Any damage to property caused by Service Provider's personnel or equipment (including that of its subcontractors) will be promptly repaired to the condition existing before the damage or be replaced. All costs for such repairs or replacements will be solely the responsibility of Service Provider.

2.1.5. To the extent reasonably possible, Service Provider, in carrying out its work, must employ such methods or means that will not interrupt or interfere with the recycler's work.

## 2.2. Providing Storage Containers.

2.2.1. Service Provider will have thirty (30) days from the date of this contract to provide storage container(s) to its designated collection location(s).

2.2.2. Service Provider will be responsible for keeping all Storage Containers and other equipment that Service Provider or its subcontractors provide in the performance of this Agreement in good working order and in a clean, sanitary and attractive condition, and as free from offensive odors as possible. Equipment is subject to periodic inspection by MRC.

2.2.3. All Storage Containers and other equipment provided by Service Provider or its subcontractors will be marked and properly identified in a method mutually acceptable to MRC and Service Provider.

2.2.4. Service Provider will post appropriate notices on Storage Containers provided by Service Provider or its subcontractors stating that such containers are only for temporary storage of mattresses and/or Program Products dropped off free of charge by California consumers, and that Program Products obtained from other entities, Non-Program Products and Units that are not suitable for recycling may not be placed in such Storage Containers.

## 2.3. Transportation of Program Products.

2.3.1. Service Provider will pick-up and transport collected Program Products from its solid waste facility(ies) to recycler's premises.

2.3.2. Service Provider is responsible for scheduling deliveries with the recycler.



# Helendale Community Services District

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Date: June 15, 2017  
TO: Board of Directors  
FROM: Kimberly Cox, General Manager  
SUBJECT: Agenda item #7  
Discussion and Possible Action Regarding Approval of Entering into a Professional Services Agreement with Fedak & Brown for Audit Services for Fiscal Years 2017 Through 2019

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## Staff Recommendation

Approve entering into the proposed PSA with Fedak & Brown LLP

## Staff Report

The District has enjoyed a positive relationship with Rogers, Anderson, Malody & Scott, LLP as auditors for nearly eight years. However, with the recent transition of utilizing RAMS for accounting support services, they are no longer eligible to perform the District's audit. Staff sent out a request for proposals to several known firms. Four proposals were received. A supplemental questionnaire was circulated regarding the experience level of the firm's staff related to public agency work. The questionnaire also sought the firm's commitment that the audit would begin in September with a presentation to the Board by November 2, 2017.

Fedak and Brown (F&B) indicated that they would be able to comply with the proposed schedule. They also confirmed that they have seven members of their supervisory and above staff who deal primarily with government accounting. F&B perform the audits for Phelan Pinon Hills CSD, Mojave Water Agency and High Desert Water Agency. Staff called three of the five references provided and received very positive comments regarding the experience with F&B's field audit staff, compilation of the audit and presentation to the Board of Directors.

The audit is not required to be competitively bid due to the need to select the most qualified, competent service provider to fulfill this key compliance roll, however, staff did receive four bids, three were responsive, of which Fedak & Brown were the lowest at a cost of \$22,200 for FY 2017; \$22,625 for FY 2018 and \$23,055 for FY 2019. They also provided costs for FY20 of \$23,490 and FY21 of \$23,950. Excerpts of the bid are attached for your review. The entire proposal is available upon your request.

## Fiscal Impact

FY 2017 = \$22,200  
FY 2018 = \$22,625  
FY 2019 = \$23,055

Audit services is listed in the FY 2017 Budget within the Administration Budget:  
Account code 10-522001-00-0 Auditing and Accounting Services currently funded at \$15,000.

Auditing Firm Proposals

Firm Name	Annual Auditing Cost				Avg Cost per Year	Supplemental Questionnaire								
	FY 2016-17	FY 2017-18	FY 2018-19			Partners	Managers	Supv	Staff	Other	Supv+ In Gov Actg	By Nov		
Eadie & Payne LLP	\$ 21,190.00	\$ 21,615.00	\$ 22,045.00		\$ 21,616.67									
Smith Marion & Co., LLP	\$ 22,300.00	\$ 22,643.00	\$ 22,991.00		\$ 22,644.67	4	3	2	13	8				4 Yes
Fedak & Brown LLP	\$ 22,200.00	\$ 22,625.00	\$ 23,055.00		\$ 22,626.67	2	2	3	4	1				7 Yes
Teaman, Ramirez & Smith, Inc.	\$ 25,000.00	\$ 25,750.00	\$ 26,500.00		\$ 25,750.00	5	5	4	4	10				6 Yes



Fendak & Brown

## Helendale Community Services District

26540 Vista Road, Ste.B - P.O. Box 359  
Helendale, California 92342-0359  
(760) 951-0006 Fax (760) 951-0046

May 24, 2017

### SUPPLEMENTAL QUESTIONNAIRE AUDIT PROPOSALS

Below are three questions for which we are requesting a response to further evaluation the submitted proposals. Please respond no later than June 5, 2017.

With assurance that the trial balances and audit work papers will be ready by the end of August, the District is requesting that the audit begin in September 2017 and be available for presentation to the Board of Directors at the Board meeting of November 2, 2017.

Will your firm be able to meet the proposed timeline? Yes

Please provide the size of your firm by category:

Partners: 2  
Managers: 2  
Supervisory Staff: 3  
Staff: 4  
Other: 1

How many staff members of the firm at the supervisory level or above works primarily in government accounting?: 7

Kind Regards,

*Kimberly Cox*  
Kimberly Cox  
General Manager

# Cost Proposal for Professional Auditing Services



## Helendale Community Services District

**Prepared by:**

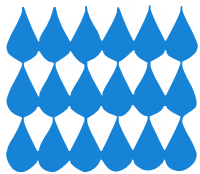
**Fedak & Brown LLP**

Certified Public Accountants  
Riverside, California & Cypress, California  
(951) 977-9888      (657) 214-2307



**Contact Person:**

Christopher J. Brown, CPA, CGMA, Partner  
[chris@fedakbrownllp.com](mailto:chris@fedakbrownllp.com)



Charles Z. Fedak, CPA, MBA  
Christopher J. Brown, CPA, CGMA  
Jonathan P. Abadesco, CPA

# Fedak & Brown LLP

Certified Public Accountants

Cypress Office:  
6081 Orange Avenue  
Cypress, California 90630  
(657) 214-2307  
FAX (714) 527-9154

Riverside Office:  
4204 Riverwalk Pkwy. Ste. 390  
Riverside, California 92505  
(951) 977-9888

May 5, 2017

Ms. Kimberly Cox, General Manager  
Helendale Community Services District  
26540 Vista Road, Suite B  
P.O. Box 359  
Helendale, California 92342

## Re: Request for Proposal for Professional Auditing Services

Dear Ms. Cox:

Based on our understanding of the Helendale Community Services District (District) requirements, our fee for audit services at our discounted rates for the fiscal year ending June 30, 2017 will be **\$22,200**. This fee is based on our understanding of the District's audit requirements.

Assuming there is no substantial change in the District's activities and operations, our fee for audit services for the year ending June 30, 2018 and 2019 and optional fiscal years ending June 30, 2020 and 2021 will be **\$22,625**, **\$23,055**, **\$23,490**, and **\$23,950**, respectively.

The total all-inclusive maximum price for the fiscal years ending June 30, 2017 through 2019, and optional fiscal years ending June 30, 2020 and 2021, is itemized in the attached Exhibits.

Our not-to-exceed fee proposal is contingent upon our understanding of your requirements and the assistance we require as noted in our original audit technical proposal.

Additional services not included in this proposal will be based on our discounted billing rates based on the level of experience required. We would execute a separate contract for these services, if they are requested by the District.

I am authorized to make representations for Fedak & Brown LLP and am duly authorized to sign a contract with the District.

Christopher J. Brown, CPA CGMA

May 5, 2017

Date



# Exhibit I – Proposed Hours and Our Fees

## Proposed Hours and Our Fees

We anticipate that, for the fiscal years ending June 30, 2017 through 2019, and optional fiscal years 2020 and 2021, the audit of the District will require approximately 200 audit hours. These hours, by major area, are summarized as follows:

<b>Breakout of Audit Hours</b>					
<u>Audit Steps</u>	<u>Partner</u>	<u>Manager</u>	<u>Supervisor</u>	<u>Staff</u>	<u>Total</u>
<b>Planning</b>	6	4	8	9	<b>27</b>
<b>Controls Testwork</b>	4	8	20	36	<b>68</b>
<b>Substantive Testwork</b>	5	10	20	36	<b>71</b>
<b>Reporting</b>	10	8	12	4	<b>34</b>
	<u>25</u>	<u>30</u>	<u>60</u>	<u>85</u>	<u>200</u>

As shown above, we expect approximately 28% of engagement hours to come from the Partners and Managers assigned to the engagements.

Working on the premise that we will be provided with all the documents listed per our audit requirements (will be provided prior to commencement of fieldwork), we expect to perform the audit of the District at fees as stated in the attached Schedule of Professional Fees on Page 3 for the fiscal years ending June 30, 2017 through 2019, and optional fiscal years 2020 and 2021, respectively.

Our fees are based on the product of the time spent on the engagement and the billing rates of the individuals assigned, plus out-of-pocket costs (such as report reproductions, typing, postage, travel, copies, telephone, etc.). We will obtain the assistance of District's personnel to the extent possible and otherwise endeavor to keep these charges to a minimum. We will submit progress billings monthly to your office as our work progresses, which will be due and payable thirty days from the date of the invoice.

Based upon the present size and scope of the activities of the District, we expect to perform the services enumerated above at our standard hourly rates. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to the audit.

In accordance with your request for proposal and the Office of Management and Budget Circular A-128, we will maintain our work papers for a minimum of seven years and make them available to the District, state agencies, the General Accounting Office, and other parties upon the direction of the District. We have provided a breakdown of our current hourly rates, which would apply to this engagement on the attached Schedule of Professional Fees by Hours on Pages 4 through 5 of this cost proposal.

We want the Board to understand that we will provide any assistance and answer any questions that the District's staff or members of the Boards may have when they arise for the entire duration of our contract. We find it important to stay abreast of the District's activities and issues during the entire engagement.

We would like to thank you and the Board for the opportunity to submit a proposal for the auditing services of the District. Because of our experience in special districts and agencies, we will provide you with accounting updates (GASB) to assist in your operations as well as meet the audit needs of the organization. We will also continually make recommendations on these and other matters that come to our attention. We are proud of the professional services we provide and encourage you to make inquiries to any of our clients about their satisfaction with our services and the quality of our staff.

## Exhibit II – Schedule of Professional Fees

### Helendale Community Services District

<u>Engagement Fees By Fiscal Year</u>	<u>Audit Service Fees*</u>	<u>Not-to-Exceed Estimate of Out of Pocket Costs**</u>	<u>Total Engagement</u>
<b>Fiscal Year 2017</b>	\$ <b>21,200</b>	<b>1,000</b>	<b>22,200</b>
<b>Fiscal Year 2018</b>	<b>21,625</b>	<b>1,000</b>	<b>22,625</b>
<b>Fiscal Year 2019</b>	<b>22,055</b>	<b>1,000</b>	<b>23,055</b>
<b>Total Three Year Contract Price</b>	<b>\$ 64,880</b>	<b>3,000</b>	<b>67,880</b>
<u>Optional Years</u>			
<b>Fiscal Year 2020</b>	<b>\$ 22,490</b>	<b>1,000</b>	<b>23,490</b>
<b>Fiscal Year 2021</b>	<b>\$ 22,950</b>	<b>1,000</b>	<b>23,950</b>

\* Professional audit services fees – labor only.

\*\* Estimate of out-of-pocket costs consist of: travel, mileage, postage and printing costs.  
Out-of-pocket costs may not be fully utilized.

## Exhibit III – Schedule of Professional Fees by Hours

### Helendale Community Services District Fiscal Year 2017

#### Breakdown of Fees by Hours

Fiscal Year 2017 Audit of:	Hours		Hourly Rates		Total
District's Basic Financial Statements					
Partner - Engagement & Technical	25	\$	150	\$	3,750
Manager	30		135		4,050
Supervisor	60		110		6,600
Staff	85		80		6,800
<b>Total Financial Statement Audit for 2017</b>	<b>200</b>				<b>21,200</b>
<b>Out-of-Pocket Expenses (Travel, Postage &amp; Printing Costs)</b>					<b>1,000</b>
<b>Total Maximum for 2017</b>				<b>\$</b>	<b>22,200</b>

### Helendale Community Services District Fiscal Year 2018

#### Breakdown of Fees by Hours

Fiscal Year 2018 Audit of:	Hours		Hourly Rates		Total
District's Basic Financial Statements					
Partner - Engagement & Technical	25	\$	153	\$	3,825
Manager	30		137		4,110
Supervisor	60		112		6,720
Staff	85		82		6,970
<b>Total Financial Statement Audit for 2018</b>	<b>200</b>				<b>21,625</b>
<b>Out-of-Pocket Expenses (Travel, Postage &amp; Printing Costs)</b>					<b>1,000</b>
<b>Total Maximum for 2018</b>				<b>\$</b>	<b>22,625</b>

### Helendale Community Services District Fiscal Year 2019

#### Breakdown of Fees by Hours

Fiscal Year 2019 Audit of:	Hours		Hourly Rates		Total
District's Basic Financial Statements					
Partner - Engagement & Technical	25	\$	155	\$	3,875
Manager	30		140		4,200
Supervisor	60		114		6,840
Staff	85		84		7,140
<b>Total Financial Statement Audit for 2019</b>	<b>200</b>				<b>22,055</b>
<b>Out-of-Pocket Expenses (Travel, Postage &amp; Printing Costs)</b>					<b>1,000</b>
<b>Total Maximum for 2019</b>				<b>\$</b>	<b>23,055</b>

## Exhibit III – Schedule of Professional Fees by Hours

**Helendale Community Services District  
OPTIONAL YEAR 1 - Fiscal Year 2020**

**Breakdown of Fees by Hours**

	<b>Hours</b>		<b>Hourly Rates</b>		<b>Total</b>
<b>Fiscal Year 2020 Audit of:</b>					
District's Basic Financial Statements					
Partner - Engagement & Technical	25	\$	156	\$	3,900
Manager	30		142		4,260
Supervisor	60		117		7,020
Staff	85		86		7,310
<b>Total Financial Statement Audit for 2020</b>	<b>200</b>				<b>22,490</b>
<b>Out-of-Pocket Expenses (Travel, Postage &amp; Printing Costs)</b>					<b>1,000</b>
<b>Total Maximum for 2020</b>				<b>\$</b>	<b>23,490</b>

**Helendale Community Services District  
OPTIONAL YEAR 2 - Fiscal Year 2021**

**Breakdown of Fees by Hours**

	<b>Hours</b>		<b>Hourly Rates</b>		<b>Total</b>
<b>Fiscal Year 2021 Audit of:</b>					
District's Basic Financial Statements					
Partner - Engagement & Technical	25	\$	158	\$	3,950
Manager	30		144		4,320
Supervisor	60		120		7,200
Staff	85		88		7,480
<b>Total Financial Statement Audit for 2021</b>	<b>200</b>				<b>22,950</b>
<b>Out-of-Pocket Expenses (Travel, Postage &amp; Printing Costs)</b>					<b>1,000</b>
<b>Total Maximum for 2021</b>				<b>\$</b>	<b>23,950</b>

# Helendale Community Services District

## Proposal for Professional Auditing Services

### Cost Proposal

### Firm Name

Certification: Christopher J. Brown is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the District.

The annual fees for the audit of each fiscal year, as listed below, shall not exceed the following:

Service	Fiscal Year		
	2016-17	2017-18	2018-19
District Audit	\$ 21,200 -	\$ 21,625 -	\$ 22,055 -
Out-of-Pocket Expenses	1,000 -	1,000 -	1,000 -
<b>Total All-Inclusive Maximum Price</b>	<b>\$ 22,200 -</b>	<b>\$ 22,625 -</b>	<b>\$ 23,055 -</b>
Single Audit, if required	\$ 4,540 -	\$ 4,632 -	\$ 4,728 -

### Schedule of Professional Fees for FY 2016-17

Position	Hours	Hourly Rates	Amount
Partners	25 -	\$ 150 -	\$ 3,750 -
Managers	30 -	135 -	4,050 -
Supervisory Staff	60 -	110 -	6,600 -
Staff	85 -	80 -	6,800 -
Other (specify)	-	-	-
Subtotal	-		21,200 -
Out-of-Pocket Expenses			1,000 -
<b>Total All-Inclusive Maximum Price</b>			<b>\$ 22,200 -</b>


Partner
May 5, 2017

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Signature
Title
Date

Christopher J. Brown, CPA CGMA

Name (print)

**AGREEMENT FOR SERVICES  
BETWEEN  
HELENDALE COMMUNITY SERVICES DISTRICT  
AND  
FEDAK & BROWN**

THIS AGREEMENT is made this \_\_\_\_ day of June, 2017 (hereinafter referred to as the "Effective Date"), by and between the HELENDALE COMMUNITY SERVICES DISTRICT, a public agency organized and operating pursuant to California Government Code Section 61000 et seq. (hereinafter referred to as the "DISTRICT"), and FEDAK & BROWN, LLP, a \_\_\_\_\_ (hereinafter referred to as "CONSULTANT"). DISTRICT and CONSULTANT may individually be referred to as "Party" or collectively as "Parties" in this Agreement.

**RECITALS**

WHEREAS, the DISTRICT desires to contract with CONSULTANT to provide professional annual auditing services for the DISTRICT (hereinafter referred to as "Project"); and

WHEREAS, CONSULTANT is willing to contract with the DISTRICT to provide such services for the Project; and

WHEREAS, CONSULTANT holds itself as duly licensed, qualified, and capable of performing said services for the Project; and

WHEREAS, this Agreement establishes the terms and conditions for the DISTRICT to retain CONSULTANT to provide the services described herein for the Project.

**COVENANTS**

NOW, THEREFORE, in consideration of the faithful performance of the terms and conditions set forth herein, the Parties hereto agree as follows:

**ARTICLE I  
ENGAGEMENT OF CONSULTANT  
AND AUTHORIZATION TO PROCEED**

1.1 **ENGAGEMENT:** The DISTRICT hereby engages CONSULTANT, and CONSULTANT hereby accepts the engagement, to perform the Project services described in Section 2.1 of this Agreement for the term set forth in Section 5.1 of this Agreement.

1.2 **AUTHORIZATION TO PROCEED:** Authorization for CONSULTANT to proceed with all or a portion of the Project services described in Section 2.1 of this Agreement will be granted in writing by the DISTRICT as soon as both Parties sign the Agreement and all applicable insurance and other security documents required pursuant to Section 6.3 of this Agreement are received and approved by the DISTRICT. CONSULTANT shall not proceed with said Project services until so authorized by the DISTRICT, and shall commence work immediately upon receipt of the Notice to Proceed.

1.3 **NO EMPLOYEE RELATIONSHIP:** CONSULTANT shall perform the Project services provided for herein as an independent contractor, and not as an employee of the DISTRICT. The DISTRICT shall have ultimate control over the work performed for the Project. CONSULTANT is not to be considered an agent or employee of the DISTRICT for any purpose, and shall not be entitled to participate in any pension plans, insurance coverage, bonus, stock, or similar benefits that the DISTRICT provides for its employees. CONSULTANT shall indemnify the DISTRICT for any tax, retirement contribution, social security, overtime payment, or workers' compensation payment which the DISTRICT may be required to make on behalf of CONSULTANT or any agent or employee of CONSULTANT.

## **ARTICLE II SERVICES OF CONSULTANT**

2.1 **SCOPE OF SERVICES:** The Project services to be performed by the CONSULTANT under this Agreement are described in the Proposal attached hereto as Exhibit "A" and incorporated herein by this reference (hereinafter referred to as the "Scope of Work"), and shall, where not specifically addressed, include all related services ordinarily provided by the CONSULTANT under same or similar circumstances and/or otherwise necessary to satisfy the requirements of Section 3.3 of this Agreement. In case of conflict between the terms of this Agreement and the provisions of the Scope of Work, this Agreement shall govern.

2.2 **PREVAILING WAGES:** In accordance with the provisions of the California Labor Code, CONSULTANT shall secure the payment of compensation to employees. To the extent required by the California Labor Code, CONSULTANT shall pay not less than the prevailing rate of per diem wages as determined by the Director, Department of Industrial Relations, State of California. Copies of such prevailing rate of per diem wages are on file at the DISTRICT's office, which copies will be made available to any interested party upon request. CONSULTANT shall post a copy of such determination at each job site. If applicable, CONSULTANT shall forfeit to the DISTRICT the amount of the penalty set forth in Labor Code Section 1777.7(b), or any subsequent amendments thereto, for each calendar day, or portion thereof, for each worker paid less than the specified prevailing rates for such work or craft in which such worker is employed, whether paid by CONSULTANT or by any subcontractor.

2.3 **HOURS AND WORKING CONDITIONS:** The DISTRICT is a public entity in the State of California and is subject to the provisions of the Government Code and the Labor Code of the State. It is stipulated and agreed that all provisions of law applicable to public contracts are a part of this Agreement to the same extent as though set forth herein and will be

complied with by CONSULTANT. CONSULTANT shall comply with all applicable provisions of the California Labor Code relating to working hours and the employment of apprentices on public works projects. CONSULTANT shall, as a penalty to the DISTRICT, forfeit \$25.00 for each worker employed in the execution of this Agreement by CONSULTANT or by any subcontractor, for each calendar day during which such worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week, unless such worker received compensation for all hours worked in excess of 8 hours at not less than 1½ times the basic rate of pay.

### **ARTICLE III RESPONSIBILITIES OF THE DISTRICT AND OF CONSULTANT**

**3.1 DUTIES OF THE DISTRICT:** The DISTRICT, without cost to CONSULTANT, will provide all pertinent information necessary for CONSULTANT's performance of its obligations under this Agreement that is reasonably available to the DISTRICT unless otherwise specified in the Scope of Work, in which case the CONSULTANT is to acquire such information. The DISTRICT does not guarantee or ensure the accuracy of any reports, information, and/or data so provided. To the extent that any reports, information, and/or other data so provided was supplied to the DISTRICT by persons who are not employees of the DISTRICT, any liability resulting from inaccuracies and/or omissions contained in said information shall be limited to liability on behalf of the party who prepared the information for the DISTRICT.

**3.2 REPRESENTATIVE OF DISTRICT:** The DISTRICT will designate Kimberly Cox as the person to act as the DISTRICT's representative with respect to the work to be performed under this Agreement. Such person will have complete authority to transmit instructions, receive information, and interpret and define the DISTRICT's policies and decisions pertinent to the work. In the event the DISTRICT wishes to make a change in the DISTRICT's representative, the DISTRICT shall notify the CONSULTANT of the change in writing.

**3.3 DUTIES OF CONSULTANT:** CONSULTANT shall perform all services for the Project in such a manner as to fully comply with all applicable professional standards of care, including professional quality, technical accuracy, timely completion, and other services furnished and/or work undertaken by CONSULTANT pursuant to this Agreement. The CONSULTANT shall cause all work and deliverables to conform to all applicable federal, state, and local laws and regulations.

**3.4 APPROVAL OF WORK:** The DISTRICT's approval of work or materials furnished hereunder shall not in any way relieve CONSULTANT of responsibility for the technical adequacy of its work. Neither the DISTRICT's review, approval or acceptance of, nor payment for any of the services shall be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement. Where approval by the DISTRICT is indicated in this Agreement, it is understood to be conceptual approval only and does not relieve the CONSULTANT of responsibility for complying with all laws, codes, industry standards, and liability for damages caused by negligent acts, errors,



omissions, noncompliance with industry standards, or the willful misconduct of the CONSULTANT or its subcontractors. CONSULTANT's obligation to defend, indemnify, and hold harmless the DISTRICT, and its directors, officers, employees and agents as set forth in Section 6.9 of this Agreement also applies to the actions or omissions of the CONSULTANT or its subcontractors as set forth above in this paragraph.

#### **ARTICLE IV PAYMENTS TO CONSULTANT**

4.1 **PAYMENT:** During the Term of this Agreement, the DISTRICT will pay CONSULTANT for services performed in accordance with the fees, rates, and estimated hours and costs set forth in the Scope of Work. The amounts set forth in the Scope of Work constitute the maximum not-to-exceed compensation to which CONSULTANT may be entitled for the performance of services for the Project, unless this Agreement and/or the Scope of Work are changed in writing by the DISTRICT in advance of the services to be performed hereunder. Adjustments in the payment amount shall only be allowed pursuant to Section 6.4 of this Agreement.

4.2 **PAYMENT TO CONSULTANT:** Payment will be made by the DISTRICT within thirty (30) calendar days after receipt of an invoice from CONSULTANT, provided that all invoices are complete and product and services are determined to be of sufficient quality by the DISTRICT. CONSULTANT shall invoice DISTRICT monthly for services performed under this Agreement. In the event that a payment dispute arises between the Parties, CONSULTANT shall provide to the DISTRICT full and complete access to CONSULTANT's labor cost records and other direct cost data, and copies thereof if requested by the DISTRICT.

4.3 **COST FOR REWORK:** CONSULTANT shall, at no cost to the DISTRICT, prepare any necessary rework occasioned by CONSULTANT's negligent act or omission or otherwise due substantially to CONSULTANT's fault.

#### **ARTICLE V COMPLETION SCHEDULE**

5.1 **TERM:** The Term of this Agreement shall begin on the Effective Date, and shall continue through CONSULTANT's audit of the DISTRICT's fiscal year ending June 30, 2019, with the DISTRICT retaining an option to extend the Term of this Agreement to include the fiscal years ending June 30, 2020 and 2021, unless this Agreement is earlier terminated pursuant to the provisions of Section 6.7 below. Notwithstanding the above, the provisions of Sections 1.3, 2.2, 2.3, 3.3 and 3.4 and Articles IV, V, and VI herein shall survive the expiration and/or termination of this Agreement.

5.2 **TIME OF ESSENCE:** CONSULTANT shall perform all services required by this Agreement in a prompt, timely, and professional manner. Time is of the essence in this Agreement.

## **ARTICLE VI GENERAL PROVISIONS**

**6.1 COMPLIANCE WITH FEDERAL, STATE, AND LOCAL LAWS:** CONSULTANT shall at all times observe all applicable provisions of Federal, State, and Local laws and regulations including, but not limited to, those related to Equal Opportunity Employment.

**6.2 SUBCONTRACTORS AND OUTSIDE CONSULTANTS:** No subcontract shall be awarded by CONSULTANT unless prior written approval thereof is obtained from the DISTRICT. CONSULTANT shall be responsible for payment to subcontractors used by them to perform the services under this Agreement. If CONSULTANT subcontracts any of the work to be performed, CONSULTANT shall be as fully responsible to the DISTRICT for the performance of the work, including errors and omissions of CONSULTANT's subcontractors and of the persons employed by the subcontractor, as CONSULTANT is for the acts and omissions of persons directly employed by the CONSULTANT. Nothing contained in this Agreement shall create any contractual relationship between any subcontractor of CONSULTANT and the DISTRICT. CONSULTANT shall bind every subcontractor and every subcontractor of a subcontractor to the terms of this Agreement that are applicable to CONSULTANT's work unless specifically noted to the contrary in the subcontract in question and approved in writing by the DISTRICT.

**6.3 INSURANCE:** CONSULTANT shall secure and maintain in full force and effect, until the satisfactory completion and acceptance of the Project by DISTRICT, such insurance as will protect it and the DISTRICT in such a manner and in such amounts as set forth below. The premiums for said insurance coverage shall be paid by the CONSULTANT. The failure to comply with these insurance requirements may constitute a material breach of this Agreement, at the sole discretion of the DISTRICT.

- (a) Certificates of Insurance: Prior to commencing services under this Agreement, and in any event no later than ten (10) calendar days after execution of this Agreement, CONSULTANT shall furnish DISTRICT with Certificates of Insurance and endorsements verifying the insurance coverage required by this Agreement is in full force and effect. The DISTRICT reserves the right to require complete and accurate copies of all insurance policies required under this Agreement.
- (b) Required Provisions: The insurance policies required by this Agreement shall include the following provisions or have them incorporated by endorsement(s):
  - (1) Primary Coverage: The insurance policies provided by CONSULTANT shall be primary insurance and any self-insured retention and/or insurance carried by or available to the DISTRICT or its employees shall be excess and non-contributory coverage so that any self-insured retention and/or insurance carried by or available to the DISTRICT shall not contribute to any loss or expense under CONSULTANT's insurance.

- (2) Additional Insured: The policies of insurance provided by CONSULTANT, except Workers' Compensation and Professional Liability, shall include as additional insureds: the DISTRICT, its directors, officers, employees, and agents when acting in their capacity as such in conjunction with the performance of this Agreement. Such policies shall contain a "severability of interests" provision, also known as "Cross liability" or "separation of insured".
  - (3) Cancellation: Each certificate of insurance and insurance policy shall provide that the policy may not be non-renewed, canceled (for reasons other than non-payment of premium) or materially changed without first giving thirty (30) days advance written notice to the DISTRICT, or ten (10) days advance written notice in the event of cancellation due to non-payment of premium.
  - (4) Waiver of Subrogation: The insurance policies provided by CONSULTANT shall contain a waiver of subrogation against DISTRICT, its directors, officers, employees and agents for any claims arising out of the services performed under this Agreement by CONSULTANT.
  - (5) Claim Reporting: CONSULTANT shall not fail to comply with the claim reporting provisions or cause any breach of a policy condition or warranty of the insurance policies required by this Agreement that would affect the coverage afforded under the policies to the DISTRICT.
  - (6) Deductible/Retention: If the insurance policies provided by CONSULTANT contain deductibles or self-insured retentions, any such deductible or self-insured retention shall not be applicable with respect to the coverage provided to DISTRICT under such policies. CONSULTANT shall be solely responsible for any such deductible or self-insured retention and the DISTRICT, in its sole discretion, may require CONSULTANT to secure the payment of any such deductible or self-insured retention by a surety bond or an irrevocable and unconditional letter of credit.
  - (7) Sub-Contractors: CONSULTANT shall include all sub-contractors as additional insureds under the insurance policies required by this Agreement to the same extent as the DISTRICT or shall furnish separate certificates of insurance and policy endorsements for each sub-contractor verifying that the insurance for each sub-contractor complies with the same insurance requirements applicable to CONSULTANT under this Agreement.
- (c) Insurance Company Requirements: CONSULTANT shall provide insurance coverage through insurers that have at least an "A" Financial Strength Rating and a "VII" Financial Size Category in accordance with the current ratings by the A. M. Best Company, Inc. as published in *Best's Key Rating Guide* or on said company's web site. In addition, any and all insurers must be admitted and authorized to conduct business in the State of California and be a participant in the California Insurance Guaranty Association, as evidenced by a listing in the appropriate publication of the California Department of Insurance.

- (d) **Policy Requirements:** The insurance required under this Agreement shall meet or exceed the minimum requirements as set forth below:
- (1) **Workers' Compensation:** CONSULTANT shall maintain Workers' Compensation insurance as required by law in the State of California to cover CONSULTANT's obligations as imposed by federal and state law having jurisdiction over CONSULTANT's employees and Employers' Liability insurance, including disease coverage, of not less than \$1,000,000.
  - (2) **General Liability:** CONSULTANT shall maintain Comprehensive General Liability insurance with a combined single limit of not less than \$1,000,000 per occurrence or claim and \$1,000,000 aggregate. The policy shall include, but not be limited to, coverage for bodily injury, property damage, personal injury, products, completed operations and blanket contractual to cover, but not be limited to, the liability assumed under the indemnification provisions of this Agreement. In the event the Comprehensive General Liability insurance policy is written on a "claims made" basis, coverage shall extend for two years after the satisfactory completion and acceptance of the Project by DISTRICT.
  - (3) **Automobile Liability:** CONSULTANT shall maintain Commercial Automobile Liability insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence for any owned, hired, or non-owned vehicles.
  - (4) **Professional Liability:** CONSULTANT shall maintain Professional Liability insurance covering errors and omissions arising out of the services performed by the CONSULTANT or any person employed by him, with a limit of not less than \$1,000,000 per occurrence or claim and \$1,000,000 aggregate. In the event the insurance policy is written on a "Claims made" basis, coverage shall extend for two years after the satisfactory completion and acceptance of the Project by DISTRICT.
  - (5) **Property Coverage – Valuable Papers:** Property coverage on an all-risk, replacement cost form with Valuable Papers insurance sufficient to assure the restoration of any documents, memoranda, reports, plans or other similar data, whether in hard copy or electronic form, relating to the services provided by CONSULTANT under this Agreement.

6.4 **CHANGES:** If the DISTRICT requests a change in the Scope of Work, an equitable adjustment shall be made and this Agreement shall be modified in writing accordingly. CONSULTANT must assert any claim for adjustment under this clause in writing within thirty (30) calendar days from the date of receipt from CONSULTANT of the notification of change unless the DISTRICT grants a further period of time before the date of final payment under this Agreement.

6.5 **NOTICES:** All notices to either Party by the other shall be made in writing and delivered or mailed to such Party at their respective addresses as follows, or to other such address

as either Party may designate, and said notices shall be deemed to have been made when delivered or, if mailed, five (5) days after mailing.

To DISTRICT: Helendale Community Services District  
26540 Vista Road, Suite B  
P.O. Box 359  
Helendale, CA 92342  
Attn: General Manager

To CONSULTANT: Fedak & Brown, LLP  
Certified Public Accountants  

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\_\_\_\_\_, CA 9\_\_\_\_\_  
Attn: Christopher J. Brown, Partner

6.6 CONSULTANT'S ASSIGNED PERSONNEL: CONSULTANT designates Christopher J. Brown to have immediate responsibility for the performance of the work for the Project and for all matters relating to performance under this Agreement. Substitution of any assigned personnel shall require the prior written approval of the DISTRICT. If the DISTRICT determines that a proposed substitution is not acceptable, then, at the request of the DISTRICT, CONSULTANT shall substitute with a person acceptable to the DISTRICT.

6.7 TERMINATION:

- (a) The DISTRICT may terminate this Agreement or abandon any portion of the Project by giving ten (10) days written notice thereof to CONSULTANT. CONSULTANT may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days written notice only in the event of substantial failure by the DISTRICT to perform in accordance with the terms of this Agreement through no fault of the CONSULTANT.
- (b) In the event of termination of this Agreement or abandonment of any portion of the Project, the DISTRICT shall be immediately given title to all original drawings and other documents developed for the Project, and the sole right and remedy of CONSULTANT shall be to receive payment for all amounts due and not previously paid to CONSULTANT for services completed or in progress in accordance with the Agreement prior to such date of termination. If termination occurs prior to completion of any task for which payment has not been made, the fee for services performed during such task shall be based on an amount mutually agreed to by the DISTRICT and CONSULTANT. Such payments available to the CONSULTANT under this paragraph shall not include costs related to lost profit associated with the expected completion of the work or other such payments relating to the benefit of this Agreement.

6.8 ATTORNEYS' FEES: In the event that either the DISTRICT or CONSULTANT brings an action or proceeding for damages for an alleged breach of any provision of this Agreement, to interpret this Agreement or determine the rights of and duties of either Party in

relation thereto, the prevailing Party shall be entitled to recover as part of such action or proceeding all litigation, arbitration, mediation and collection expenses, including witness fees, court costs, and reasonable attorneys' fees. Such fees shall be determined by the Court in such litigation or in a separate action brought for that purpose. Mediation will be attempted if both Parties mutually agree before, during, or after any such action or proceeding has begun.

6.9 INDEMNITY:

- (a) CONSULTANT shall defend, indemnify and hold DISTRICT, including its directors, officers, employees and agents, harmless from and against any and all claims, demands, causes of action, suits, debts, obligations, liabilities, losses, damages, costs, expenses, attorney's fees, awards, fines, settlements, judgments or losses of whatever nature, character, and description, with respect to or arising out of the work to be performed under this Agreement, including without limitation, any and all such claims, demands, causes of action, suits, debts, obligations, liabilities, losses, damages, costs, expenses, attorney's fees, awards, fines, settlements, judgments or losses of whatever nature, character, and description, arising by reason of death or bodily injury to one or more persons, including the employees of CONSULTANT; injury to property of any kind, including loss of use; or economic damages of any kind, caused by, or arising out of, any alleged or actual act or omission, regardless of whether such act or omission is active or passive, by CONSULTANT, any of CONSULTANT's sub-contractors or DISTRICT, including their respective directors, officers, employees, agents and assigns, excepting only such matters arising from the sole negligence or willful misconduct of the DISTRICT.
- (b) CONSULTANT shall defend, indemnify and hold DISTRICT, including its directors, officers, employees and agents, harmless from and against any and all claims, demands, causes of action, suits, debts, obligations, liabilities, losses, damages, costs, expenses, attorney's fees, awards, fines, settlements, judgments or losses of whatever nature, character, and description, with respect to or arising out of any infringement or alleged infringement of any patent, copyright or trademark and arising out of the use of any equipment or materials furnished under this Agreement by the CONSULTANT or CONSULTANT's sub-contractors, including their respective directors, officers, employees, agents and assigns, or out of the processes or actions employed by, or on behalf of, the CONSULTANT or CONSULTANT's sub-contractors, including their respective directors, officers, employees, agents and assigns, in connection with the performance of services under this Agreement. CONSULTANT shall have the right, in order to avoid such claims or actions, to substitute at its expense non-infringing equipment, materials or processes, or to modify at its expense such infringing equipment, materials, and processes so they become non-infringing, provided that such substituted and modified equipment, materials, and processes shall meet all the requirements and be subject to all the provisions of this Agreement.
- (c) CONSULTANT shall defend, indemnify and hold DISTRICT, including its directors, officers, employees and agents, harmless from and against any and all claims, demands, causes of action, suits, debts, obligations, liabilities, losses,

damages, costs, expenses, attorney's fees, awards, fines, settlements, judgments or losses of whatever nature, character, and description, with respect to or arising out of any breach by CONSULTANT or CONSULTANT's sub-contractors, including their respective directors, officers, employees, agents and assigns, of the aforesaid obligations and covenants, and any other provision or covenant of this Agreement.

- (d) It is the intent of the Parties to this Agreement that the defense, indemnity and hold harmless obligation of CONSULTANT under this Agreement shall be as broad and inclusive as may be allowed under *California Civil Code* §§ 2778 through 2784.5, or other similar state or federal law.

6.10 SAFETY: CONSULTANT shall perform the work in full compliance with applicable State and Federal safety requirements including, but not limited to, Occupational Safety and Health Administration requirements.

- (a) CONSULTANT shall take all precautions necessary for the safety of, and prevention of damage to, property on or adjacent to the Project site, and for the safety of, and prevention of injury to, persons, including DISTRICT's employees, CONSULTANT's employees, and third persons. All work shall be performed entirely at CONSULTANT's risk. CONSULTANT shall comply with the insurance requirements set forth in Section 6.3 of this Agreement.
- (b) CONSULTANT shall also furnish the DISTRICT with a copy of any injury prevention program established for the CONSULTANT's employees pursuant to Labor Code Section 6401.7, including any necessary documentation regarding implementation of the program. CONSULTANT hereby certifies that its employees have been trained in the program, and procedures are in place to train employees whenever new substances, processes, procedures, or equipment are introduced. CONSULTANT shall demonstrate compliance with Labor Code Section 6401.7 by maintaining a copy of its Injury and Illness Prevention Plan at the Project site and making it available to the DISTRICT.

6.11 EXAMINATION OF RECORDS: All original drawings, specifications, reports, calculations, and other documents or electronic data developed by CONSULTANT for the Project shall be furnished to and become the property of the DISTRICT. CONSULTANT agrees that the DISTRICT will have access to and the right to examine any directly pertinent books, documents, papers, and records of any and all of the transactions relating to this Agreement.

6.12 OWNERSHIP OF SOFTWARE:

- (a) Subject to payment of all compensation due under this Agreement and all other terms and conditions herein, CONSULTANT hereby grants DISTRICT a nonexclusive, transferable, royalty-free license to use the Software furnished to DISTRICT by CONSULTANT under this Agreement. The license granted herein shall authorize DISTRICT to:
  - (1) Install the Software on computer systems owned, leased or otherwise controlled by DISTRICT;
  - (2) Utilize the Software for its internal data-processing purposes; and

- (3) Copy the Software and distribute as desired to exercise the rights granted herein.
- (b) CONSULTANT retains its entire right, title and interest in the Software developed under this Agreement. DISTRICT acknowledges that CONSULTANT owns or holds a license to use and sublicense various pre-existing development tools, routines, subroutines and other programs, data and materials that CONSULTANT may include in the Software developed under this Agreement. This material shall be referred to hereafter as "Background Technology."
- (c) DISTRICT agrees that CONSULTANT shall retain any and all rights CONSULTANT may have in the Background Technology. CONSULTANT grants DISTRICT an unrestricted, nonexclusive, perpetual, fully paid-up worldwide license to use the Background Technology in the Software developed and delivered to DISTRICT under this Agreement, and all updates and revisions thereto. However, DISTRICT shall make no other commercial use of the Background Technology without CONSULTANT's written consent.

6.13 INTEGRATION AND AMENDMENT: This Agreement contains the entire understanding between the DISTRICT and CONSULTANT as to those matters contained herein. No other representations, covenants, undertakings or other prior or contemporaneous agreements, oral or written, respecting those matters, which are not specifically incorporated herein, may be deemed in any way to exist or to bind any of the Parties hereto. Each Party acknowledges that it has not executed this Agreement in reliance on any promise, representation or warranty not set forth herein. This Agreement may not be amended except by a writing signed by all Parties hereto.

6.14 ASSIGNMENT: Neither Party shall assign or transfer its interest in this Agreement without written consent of the other Party. All terms, conditions, and provisions of this Agreement shall inure to and shall bind each of the Parties hereto, and each of their respective heirs, executors, administrators, successors, and assigns.

6.15 GOVERNING LAW: This Agreement shall be construed as if it was jointly prepared by both Parties hereto, and any uncertainty or ambiguity contained herein shall not be interpreted against the Party drafting same. In the event of a conflict between the provisions of this Agreement and the Scope of Work, the provisions of this Agreement shall control. This Agreement shall be enforced and governed by the laws of the State of California. 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 San Bernardino, State of California, or in a federal court with in rem jurisdiction over the Project.

6.16 HEADINGS: Article and Section headings in this Agreement are for convenience only and are not intended to be used in interpreting or construing the terms, covenants, and conditions of this Agreement.

6.17 PARTIAL INVALIDITY: If any term, covenant, condition, or provision of this Agreement is found by a court of competent jurisdiction to be invalid, void, or unenforceable, the



remainder of the provisions hereof shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated thereby.

6.18 EFFECT OF DISTRICT'S WAIVER: Any failure by the DISTRICT to enforce any provision of this Agreement, or any waiver thereof by the DISTRICT, shall not constitute a waiver of its right to enforce subsequent violations of the same or any other terms or conditions herein.

6.19 AUTHORITY: The individuals executing this Agreement represent and warrant that they have the legal capacity and authority to sign this Agreement on behalf of and to so bind their respective legal entities.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first written above.

CONSULTANT

DISTRICT

By: \_\_\_\_\_  
Christopher J. Brown, Partner  
Fedak & Brown, LLP

By: \_\_\_\_\_  
President, Board of Directors  
Helendale Community Services District



# Helendale Community Services District

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**Date:** June 15, 2017  
**TO:** Board of Directors  
**FROM:** Kimberly Cox, General Manager  
**SUBJECT:** Agenda item #8  
Discussion and Possible Action Regarding Approving an Increase in the Contract with Mike Keith Associates to Include ADA Compliant Sidewalks Between Handicap Parking Area and Picnic Shelters

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**STAFF RECOMMENDATION:**

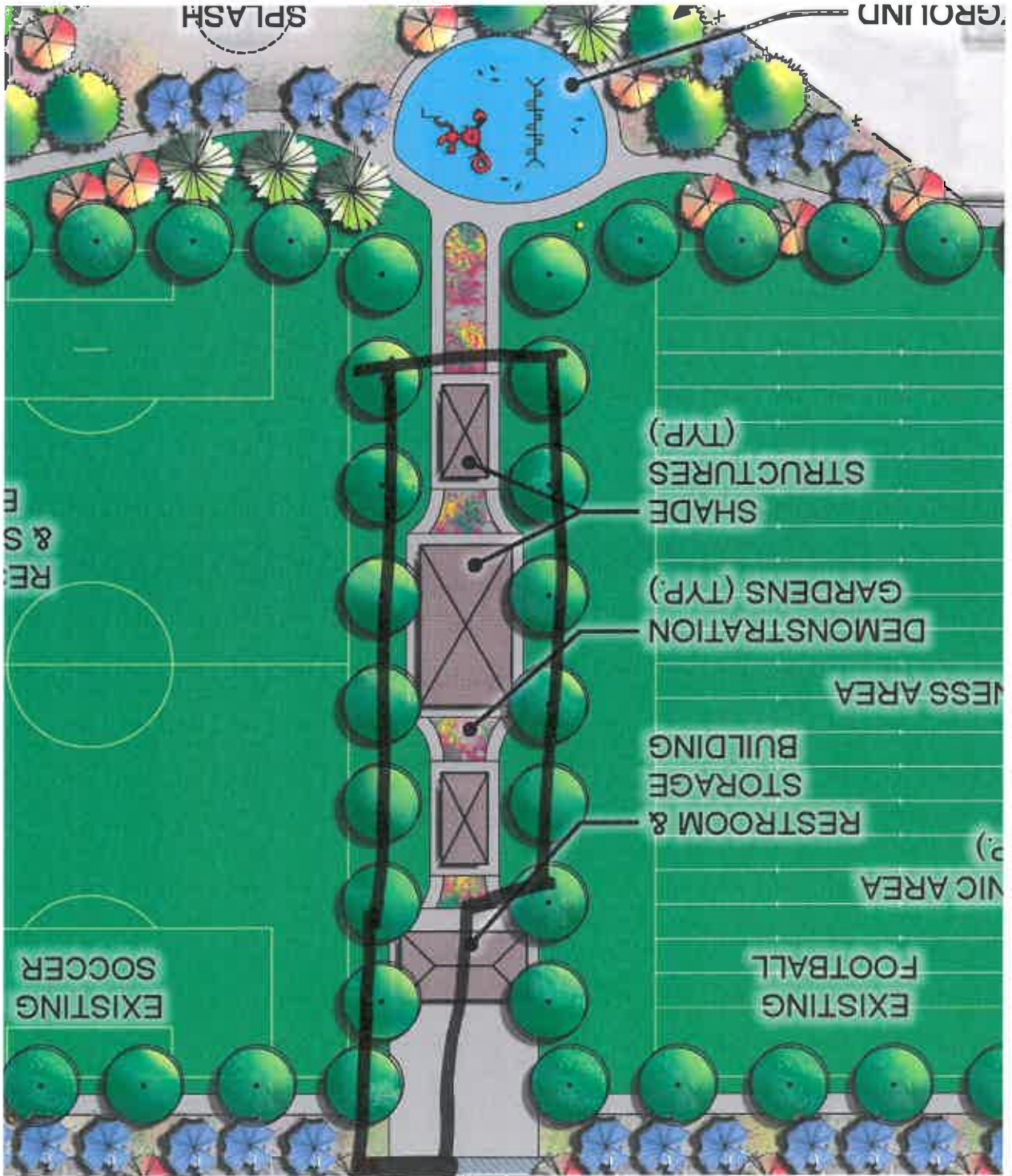
Staff seeks input from the Board regarding this item.

**STAFF REPORT:**

Sidewalks have been part of the overall design for the park picnic shelters. During the course of County Permit Review, the sidewalks have become an ADA compliance matter and are a required part of the project. In an effort to capitalize on the required work while the contractor is still on site and to avoid a re-mobilization charge, Staff is seeking input from the Board as to whether the Board wishes to seek an extension of the current contract to complete this work.

The bid estimate for 200 feet of sidewalk is \$14,500 for one sidewalk running along the northerly side of the shelters.

**FISCAL IMPACT:** \$14,500 for one half of the proposed sidewalk area.



*Additional Area*