



Notice of Regular Meeting Oceano Community Services District - Board of Directors Agenda

WEDNESDAY, May 9, 2018 – 5:30 P.M.

Oceano Community Services District Board Room
1655 Front Street, Oceano, CA

All items on the agenda including information items, may be deliberated. Any member of the public with an interest in one of these items should review the background material and request information on the possible action that could be taken.

All persons desiring to speak during any Public Comment period are asked to fill out a "Board Appearance Form" to submit to the General Manager prior to the start of the meeting. Each individual speaker is limited to a presentation time of THREE (3) minutes per item. Persons wishing to speak on more than one item shall limit his/her remarks to a total of SIX (6) minutes. This time may be allocated between items in one minute increments up to three minutes. Time limits may not be yielded to or shared with other speakers.

1. CALL TO ORDER: **NO CLOSED SESSION MEETING STARTS @ 6:00 PM**

2. ROLL CALL:

3. FLAG SALUTE:

4. AGENDA REVIEW:

5. CLOSED SESSION: None

6. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA: **(NOT BEGINNING BEFORE 6:00 PM)**

This public comment period provides an opportunity for members of the public to address the Board on matters of interest within the jurisdiction of the District that are not listed on the agenda. If a member of the public wishes to speak at this time, Public comment is limited to three (3) minutes.

7. SPECIAL PRESENTATIONS & REPORTS:

A. STAFF REPORTS:

- i. Operations - Field Supervisor Tony Marraccino
- ii. FCFA Operations - Chief Steve Lieberman
- iii. OCSD General Manager – Paavo Ogren
- iv. Sheriff's South Station - Commander Stuart MacDonald

B. BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS:

- i. Director Angello
- ii. Director Brunet
- iii. President White
- iv. Vice President Austin
- v. Director Coalwell

C. PUBLIC COMMENT ON SPECIAL PRESENTATIONS AND REPORTS:

This public comment period provides an opportunity for members of the public to address the Board on matters discussed during Agenda Item #7 – Special Presentations and Reports. If a member of the public wishes to speak at this time, Public comment is limited to three (3) minutes.

This agenda was prepared and posted pursuant to Government Code Section 54954.2. Agenda is posted at the Oceano Community Services District, 1655 Front Street, Oceano, CA. Agenda and reports can be accessed and downloaded from the Oceano Community Services District website at www.oceanocsd.org

ASSISTANCE FOR THE DISABLED If you are disabled in any way and need accommodation to participate in the Board meeting, please call the Clerk of the Board at (805) 481-6730 for assistance at least three (3) working days prior to the meeting so necessary arrangements can be made.

ASISTENCIA A DISCAPACITADO Si usted está incapacitado de ninguna manera y necesita alojamiento para participar en la reunión de la Junta, por favor llame a la Secretaría de la Junta al (805) 481-6730 para recibir asistencia por lo menos tres (3) días antes de la reunión para que los arreglos necesarios puedan ser hechos.

8. CONSENT AGENDA ITEMS:

Public comment Members of the public wishing to speak on consent agenda items may do so when recognized by the Presiding Officer. To facilitate public comment we request persons wishing to speak to fill out a speak request form and give it to the General Manager. Public comment is limited to three (3) minutes.

- A. Review and Approval of Minutes for the Regular Meeting on April 25, 2018

9. BUSINESS ITEMS:

Public comment Members of the public wishing to speak on public hearing items may do so when recognized by the Presiding Officer. To facilitate public comment we request persons wishing to speak to fill out a speak request form and give it to the General Manager. Public comment is limited to three (3) minutes.

- A. Consideration of a recommendation to approve accounts payable payments
- B. Update and review of the Emergency Action to replace the Oceano Lagoon Waterline between Maui Circle and Utah Avenue and consideration of a recommendation to approve by a 4/5ths vote that there is a need to continue the Emergency Action in accordance with Public Contract Code 22050

10. HEARING ITEMS:

11. RECEIVED WRITTEN COMMUNICATIONS:

12. LATE RECEIVED WRITTEN COMMUNICATIONS:

13. FUTURE AGENDA ITEMS: District Policies Continued; update, Roles and Responsibilities with Related Agencies; Construction Documents, Five Cities Fire Authority 5, District Rules and Regulations, Seabreeze Mobile Home Park Continued

14. FUTURE HEARING ITEMS:

15. ADJOURNMENT:



Oceano Community Services District

Summary Minutes

Regular Meeting Wednesday, April 25, 2018 – 5:30 P.M.

Oceano Community Services District Board Room

1655 Front Street, Oceano, CA

1. **CALL TO ORDER:** at 5:30 p.m. by President White
2. **FLAG SALUTE:** led by President White
3. **ROLL CALL:** Board members present Director Brunet, Director Angello, Vice President Austin, and President White. Also present, General Manager Paavo Ogren, District Legal Counsel Jeff Minnery, Business and Accounting Manager Carey Casciola, and Board Secretary Celia Ruiz. Board member absent Director Coalwell.
4. **AGENDA REVIEW:** Agenda approved as presented.
5. **CLOSED SESSION:** was entered at approximately 5:41pm. Open session was resumed at approximate 6:10pm
No public comment
 - A. **Pursuant to Government Code §54957:** Performance evaluation – General Manager

No reportable Action
6. **PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA (NOT BEGINNING BEFORE 6:00 PM):**
No public comment.
7. **SPECIAL PRESENTATIONS & REPORTS:**
 - a. **STAFF REPORTS:**
 - i. Operations - Field Supervisor Tony Marraccino – None
 - ii. FCFA - Chief Steve Lieberman – None
 - iii. OCSD General Manager – General Manager Ogren reported on FCFA & City Managers Meeting.
 - iv. Sheriff's South Station – Commander Stuart McDonald – None
 - b. **BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS:**
 - i. Director Angello – None
 - ii. Director Brunet – None
 - iii. President White – reported on Oceano Card Room abatement of nuisance letter was issued by Supervisor Compton Board of Supervisors will be having a hearing on June 5th
 - iv. Vice President Austin – reported on SSLOCSD
 - v. Director Coalwell – Absent
 - c. **PUBLIC COMMENT ON SPECIAL PRESENTATIONS AND REPORTS:**
No public comment.

8 CONSENT AGENDA:	ACTION:
a. Review and Approval of Minutes for the Regular Meeting on April 11, 2018	After an opportunity for public comment and brief Board discussion, staff recommendations were approved with a motion from Director Brunet, a second by Vice President Austin and a 4-0 vote. No public comment.
b. Review and Approval of Minutes for the Special Meeting on April 19, 2018	
c. Review and Approval of Cash Disbursements	
d. Submittal of the District's Fiscal Year 2017-18 Quarter 3 Treasurer Report	

9 A BUSINESS ITEM:	ACTION:
Review and discussion of 2018 Committee Assignments with modifications as deemed appropriate	After an opportunity for public comment and brief Board discussion, a motion to appoint Director Coalwell as chair and President White as alternate for SEIU negotiations with a motion from Vice President Austin, a second by Director Angello and a 4-0 roll call vote. No public comment.

9 B BUSINESS ITEM:	ACTION:
Consideration of a Recommendation to approve a resolution Directing Approval of the Five Cities Fire Authority Budget for Fiscal year 2018/19, and discussion of related issues	After an opportunity for public comment and brief Board discussion, staff recommendations to approve the resolution were approved with a motion from Director Brunet, a second by Director Angello and a 4-0 roll call vote. No public comment.

9 C BUSINESS ITEM:	ACTION:
Consideration of a Recommendation to Approve a Resolution by a 4/5ths vote Delegating to the General Manager the Authority to Take Emergency Action to Replace the Oceano Lagoon Waterline between Maui Circle and Utah Avenue in accordance with Public Contract Code 22050	After an opportunity for public comment and brief Board discussion, staff recommendations to approve the resolution were approved with a motion from Director Angello, a second by President White and a 4-0 roll call vote. No public comment.

9 D BUSINESS ITEM:	ACTION:
Submittal for approval a Resolution authorizing the General Manager to execute intent to serve letters to new customers	After an opportunity for public comment and brief Board discussion, staff recommendations to approve the resolution were approved with a motion from Vice President Austin, a second by Director Brunet and a 4-0 roll call vote. No public comment.

10. **HEARING ITEMS:** None

11. **RECEIVED WRITTEN COMMUNICATIONS:** None

12. **LATE RECEIVED WRITTEN COMMUNICATIONS:** None

13. **FUTURE AGENDA ITEMS:** District Policies Continued; update, Roles and Responsibilities with Related Agencies; Construction Documents, Five Cities Fire Authority 5, District Rules and Regulations, Seabreeze Mobile Home Park Continued

14. **FUTURE HEARING ITEMS:** None

15. **ADJOURNMENT:** at approximately 6:47 pm



Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

Date: May 9, 2018

To: Board of Directors

From: Paavo Ogren, General Manager

Subject: **Agenda Item #9(A):** Consideration of a recommendation to approve accounts payable payments

Recommendation

It is recommended that your Board review and consider approval of accounts payable payment recommendations.

Discussion

Illnesses of both employees involved in processing accounts payable have delayed the preparation of the detailed report for your Board's review and consideration, which is normally on the consent agenda.

This item is placed on Board Business so to provide ample opportunity to review the payment recommendations.

The items that will be recommended will also be posted to the District website as soon as possible to provide the public with an opportunity to review prior to the Board meeting.

Other Agency Involvement

n/a

Financial Considerations

The processing of accounts payable payments are based on items that are already included in the District budget.

Results

Considering and approving payments will help ensure that the District's vendors are paid in a timely manner.



Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

Date: May 9, 2018

To: Board of Directors

From: Paavo Ogren, General Manager

Subject: **Agenda Item # 9(B): Update and review of the Emergency Action to replace the Oceano Lagoon Waterline between Maui Circle and Utah Avenue and consideration of a recommendation to approve by a 4/5ths vote that there is a need to continue the Emergency Action in accordance with Public Contract Code 22050**

Recommendation

It is recommended that your Board review the emergency actions taken to replace the Oceano Lagoon Waterline between Maui Circle and Utah Avenue and approve, by a 4/5ths vote, to continue emergency actions in accordance with Public Contract Code 22050(c)(2).

Discussion

On April 25, 2018, your Board adopted a resolution authorizing the General Manager to take emergency action to replace the failed waterline between Maui Circle and Utah Avenue pursuant to Public Contract Code 22050. The waterline is currently out of service and poses risks to loss or damage to life, health, property or essential public services that will be prevented or mitigate through emergency efforts. In addition to risks associated with losing potable water service and impacts on fire flows, the risks of loss in service to the South San Luis Obispo County Sanitation District's wastewater treatment facilities needs to be immediately mitigated to prevent or mitigate impacts on essential public services.

Attached is a chronological summary of project efforts through May 4, 2018.

The installation of the waterline is scheduled to begin on Monday May 7, 2018. A verbal report will be provided at the Board meeting on the status of the efforts and whether the emergency actions are complete.

Other Agency Involvement

Coordination with other agencies is identified in the attached chronology.

Financial Considerations

Cost estimates are currently anticipated to be approximately \$115,000, including contractor and consultant costs. Sufficient savings is anticipated in the current year's water fund budget.



Oceano Community Services District

Board of Directors Meeting

Results

Replacing the failed Oceano Lagoon Waterline promotes continued reliable water service and prevents or mitigates loss or damage to life, health, property or essential public services.

Attachments:

- Chronological Summary of Emergency Action
- Waterline installation contract

Oceano Lagoon Emergency Waterline Replacement Project Chronological Summary of Project Efforts

March 24, 2018 - At approximately 5:00 a.m., the District's on-call operator received a call-out for low water pressure at a property on McCarthy Avenue and upon responding determined that a waterline under the Oceano Lagoon (the "Oceano Lagoon Waterline") had failed. The operator isolated the waterline by turning off valves, terminated the "looped" flow of water, and notified the State Water Board, the San Luis Obispo County Office of Emergency Services and the San Luis Obispo County Office of Environmental Health. In response to the unexpected failure of the Oceano Lagoon Waterline, the District staff immediately embarked on efforts to identify actions that would be needed to repair or replace the Oceano Lagoon Waterline, including but not limited to action needed by the District Board of Directors as may be required by the California Public Contracts Code, requirements of state and federal environmental resource agencies, and options to repair or replace the Oceano Lagoon Waterline; and

March 28, 2018 - The District Board of Directors authorizes the District Manager to initiate certain emergency actions.

On or about March 28, 2018 - The District General Manager contacted the San Luis Obispo County Public Works Department, Environmental Division, seeking assistance on determining and complying with requirements of state and federal environmental resource agencies. The Environmental Division Manager indicated that staffing could not be provided and informed the General Manager that Terra Verde Environmental Consulting had previously consulted on environmental resources of the Oceano Lagoon.

March 30, 2018 - April 5, 2018 - The District's Utility Systems Supervisor received quotes from contractors on replacing the failed waterline.

April 6, 2018 - The District's General Manager approved a proposal from Terra Verde for the purpose of assisting the District in addressing requirements of state and federal environmental resource agencies.

April 10, 2018 - The District's General Manager, the District's Utility Operations Supervisor, a representative of Terra Verde, and a professional engineer of Cannon Associates made a site visit to the location of the Oceano Lagoon Waterline. During the site visit, the individuals present identified what appeared to be a segment of the Oceano Lagoon Waterline that failed, which created substantial doubt regarding repairing the waterline through in-situ or other construction methodologies and essentially eliminated further consideration of repair options.

April 11, 2018 - Terra Verde Inc. provided the District with a Technical Memorandum titled "Regulatory Agency Permitting Summary for the Oceano Community Service District Emergency Waterline Replacement Project."

April 12, 2018 - The District's General Manager approved a proposal from Cannon Associates to assist in engineering and land surveying services that are needed to replace the failed Oceano Lagoon Waterline.

Oceano Lagoon Emergency Waterline Replacement Project Chronological Summary of Project Efforts

April 16, 2018 - Cannon Associates provided the District with a land survey indicating the public right of way was substantial on both sides of existing paved roads observed during the site visit of April 10, 2018, which together indicate that the District could utilize a construction methodology described as Horizontal Directional Drilling (HDD) to replace the failed Oceano Lagoon Waterline and avoid direct construction activities in the Oceano Lagoon or adjacent environment.

April 19, 2018 - The District General Manager emails J. Handeland of County Public Works to notify him of the emergency work pursuant to the District's annual road encroachment permit.

April 20, 2018 - An application for an emergency permit pursuant to Section 30624(a) of the Coastal Act was submitted to the California Coastal Commission.

April 20, 2018 - Notification was provided to California Department of Fish and Wildlife pursuant to the Lake or Streambed Alteration Agreement (LSAA) Program Notification of Emergency Work.

April 23, 2018 - Authorization to proceed with emergency work was received from the California Coastal Commission.

April 24, 2018 - K. Brown of County Planning confirms that the project is subject only to Coastal Commission permitting and not County Planning permitting.

April 24, 2018 - The General Manager confirmed with the Utility Systems Supervisor the dates that the contractors could commence work.

April 25, 2018 - The Oceano Community Services District Board of Directors adopted Resolution 2018-05 authorizing the General Manager to take emergency action pursuant to Public Contracts Code 22050.

April 27, 2018 - Contractor visits site to provide preliminary mark-up of locations for District staff to dig bore pits within existing public right of way.

April 27, 2018 - District Utility System Operators hand deliver notices to nearby properties of upcoming project efforts.

April 30, 2018 - Terra Verde biologist performs initial field surveys and marks locations for environmental fencing.

April 30, 2018 - District Utility Operators commence waterline replacement preparation work in public right of way including installation of environmental fencing, excavation of construction pits and installation of shoring, potholing, and demolition of portions of existing failed waterline to make way for new waterline.

May 2, 2018 - Right of Entry Permit received from State Parks with a preliminary entry provided for land surveying on May 3, 2018 and for construction to commence on May 7, 2018.

Oceano Lagoon Emergency Waterline Replacement Project Chronological Summary of Project Efforts

May 3, 2018 - Land surveyor performs project staking.

May 3, 2018 - General Manager approves purchase order and contract with drilling contractor to install new waterline commencing May 7, 2018.

May 4, 2018 - District Utility Operators complete project preparation work in public right of way.



Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

PURCHASE ORDER # 2017-18-30

VENDOR: ACCU-BORE Name: Bryon Gordon Address: P.O. Box 639 City: Benecia, CA 94510 PH: (877) 636-0430 Fax: (916) 788-0898 Contact: Bryan Gordon [bgordon@accu-bore.com]	PURCHASE ORDER: Horizontal Directional Drill installation of 10" waterline between Maui Circle and Laguna Drive Code to: Water Fund - Oceano Lagoon Emergency Waterline Project - reference resolution 2018-05
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SHIPPING ADDRESS: OCEANO COMMUNITY SERVICES DISTRICT C/O Paavo Ogren (805) 481-6730 1655 FRONT STREET OCEANO, CA 93445	BILLING ADDRESS: OCEANO COMMUNITY SERVICES DISTRICT P O BOX 599 OCEANO, CA 93475-0599 (805) 481-6730
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DATE OF ISSUANCE:

May 3, 2018

SCOPE OF WORK: See approved and attached ACCU-Bore proposal & contract dated 04/30/2018

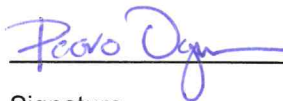
COMPLETION REQUIREMENTS: Commencing May 7, 2018 until complete.

AMOUNT: Time & Material Not To Exceed \$82,900.00

This purchase order is subject to Terms and Conditions, including Appendices A - E, attached and incorporated herein by reference:

Appendices:

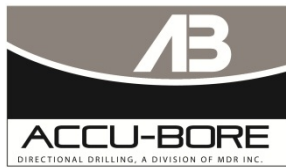
- A. Conditions of Purchase
- B. Emergency Permit Conditions (As approved by the California Coastal Commission)
- C. Standard Specifications
- D. Draft Profile (Including a note on surveyor instructions)
- E. State Parks Right of Entry Permit

 GENERAL MANAGER

5/3/2018

Signature

Date



P.O. Box 639
 Benicia, CA 94510
 Phone - (877)636-0430
 Fax - (916) 788-0898
 www.accu-bore.com

PROPOSAL & CONTRACT

Name (Contact): Tony Marraccino Date: 4/30/2018
 Business Name: Oceano Community Service District
 Address: 1655 Front Street Oceano, Ca 93445
 Job Address: Oceano Dunes Lagoon
 Email: tony@oceanocsd.org Bus. Phone: 805-481-6730

The undersigned agrees to furnish and provide necessary labor, materials, tools, implements and appliances to do, perform and complete in a good professional manner the following:

Accu-Bore Directional Drilling to Supply:

Labor and equipment to directional bore as directed by Oceano Community Services District Bore and pull in approx. 400' of 10" DR11 HDPE 10' under lagoon flow line. ABDD will provide a DW4020 and all support equipment for the directional bore. Falcon F5 Locating System w/ 19" Transmitter for Drill to Mode required due to heavy vegetation. Prevailing Wages.

***All utilities in bore path must be identified prior to drill crew arrival.**

Lump Sum: \$82,900.00

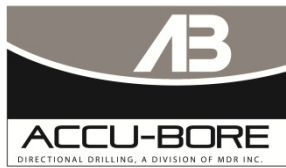
ACCU-BORE to provide:

- No soils report was provided, and proposal is based on workable soil conditions. If rock, hard ground or unknown substructures are encountered additional cost will apply.
- 400' of 10" DR11 HDPE, flanges rings and certified fusion technician.
- Remobilization to fuse flanges and rings after bore is complete.
- Disposal of non-hazardous drill fluids approx. 12,600 gallons.
- 500' tracer wire, flanges & rings.
- Frac-Out trailer w/ required items for approved Frac-Out contingency plan.

Customer to Supply:

- Any work not mentioned above.
- Flow line depth to be identified by OCSD.
- Dig entry and exit bore pits & shore to OSHA standards.
- Backfill and restoration of all bore pits and potholes.
- Pothole to visually verify the top and bottom of all utilities in conflict with bores.
- All connections beyond flanges and rings.
- Plans and specs of entire project.
- Sewer lateral locates.
- All required permits and fees
- Water for bore machine.
- Secure area for parking equipment
- All staking and surveying to identify running line.
- All compaction testing & tests.
- Any monitoring.
- Traffic control if needed.
- All Restoration of jobsite (including potholes).

Accu-Bore Directional Drilling is a division of MDR Inc, a certified California Disabled Veteran Business Enterprise (DVBE) #1344940 and California General Contractor License #953124, A



P.O. Box 639
Benicia, CA 94510
Phone - (877)636-0430
Fax - (805) 474-5967
www.accu-bore.com

Notes:

1. Unknown Conditions: Accu-Bore Directional Drilling, Inc. ("Accu-Bore") will not be held responsible for any damage caused to tree roots, plant life, or damage caused due to unknown conditions or unknown utilities. If the customer is assuming responsibility for utility locating (potholing), Accu-Bore will assume no liability should a utility be struck during the installation process. If a utility is struck, the Customer will be responsible for all ensuing damage and indemnifies Accu-Bore against any resulting losses or damages.
2. Rock Clause: Accu-Bore will make every reasonable effort to determine the soil conditions prior to setting a price for the job. However, in the event that conditions are discovered that will substantially increase the cost of the job, including but not limited to buried debris, ledge, clay, hazardous waste, garbage, rubble, and any rock formations Accu-Bore reserves the right to increase the price of the job accordingly.
3. Attorney's Fees: If either party becomes involved in arbitration or litigation arising from this agreement or the performance of it, the court or tribunal in such arbitration or litigation or in a separate suit shall be awarded reasonable costs and expenses of arbitration and litigation, including expert witness fees and attorneys' fees, to the prevailing party or parties.
4. If this project cannot be completed due to anything outside of the performance of Accu-Bore a time & materials cost will be charged.
5. Work will not be scheduled until either this proposal has been signed and returned by the Customer or a Purchase Order/Contract with the above referenced assumptions included has been received, reviewed, and approved. It is agreed that the acceptance of this proposal makes it a part of any further resulting contract.
6. Invoices not paid as agreed may be charged interest at a rate of 1.5% per month until paid.
7. Notwithstanding anything to the contrary herein in no event shall each party's liability to the other party, including their affiliates, and their stockholders, directors, officers, employees, members, insurers, subcontractors, vendors and agents, arising out of or in connection with each party's performance of the Agreement whether in contract or in tort (including negligence and strict liability) exceed the Contract Amount.

Accu-Bore Directional Drilling is a division of MDR Inc, a certified California Disabled Veteran Business Enterprise (DVBE) #1344940 and California General Contractor License #953124, A

All aforementioned work to be completed for the sum of \$See Page 1

Terms of payment shall be as follows: **UPON COMPLETION** **OTHER ARRANGEMENTS** **PROGRESS** **INITIALS**

Respectfully Submitted, ***Net 30 Days**
Accu-Bore Directional Drilling, A Division of MDR, Inc.

By: Bryan Gordon

This proposal may be voided if not accepted within 30 days.

CUSTOMER'S ACCEPTANCE

You are hereby authorized to furnish all materials and labor required to complete the work mentioned in the above proposal for which I We (check one) agree to pay the amount mentioned in said proposal and in accordance with the terms thereof.

ACCEPTED & AUTHORIZED BY

Date 5/2, 2018

Signed Bryan Gordon GENERAL MANAGER
Signed _____

Accu-Bore Directional Drilling is a division of MDR Inc, a certified California Disabled Veteran Business Enterprise (DVBE) #1344940 and California General Contractor License #953124, A

Conditions of Purchase

1. The only terms that will be honored are those issued by the Oceano Community Services District (District).
2. No acknowledgment of this order is required. If this purchase order is the result of a written bid or quotation, the purchase order shall serve as acceptance thereof. If this purchase order is the result of an informal oral or written quote, acceptance will be assumed unless otherwise advised within (10) days of the date of the order. Unless otherwise specified, the U.S. Mail shall be the accepted means of communication.
3. Purchase order numbers shall appear on all invoices, packages, crates, boxes, etc.
4. Invoices must include only items shown on this order. In the event any item included on this order is not delivered, please notify the District at once as to the reason for the delay and the date we can expect delivery. Do not include any item which is back ordered on your invoice. Any invoice or claim on this contract must be presented within 1 year from delivery of goods or services.
5. Changes of any kind are not authorized without permission from the District.
6. The District reserves the right to cancel any or all items not shipped within the time specified on the order.
7. No charges for transportation, containers, packing, etc. will be allowed unless specified on the order.
8. All material furnished must be as specified and will be subject to inspection and approval of the District after delivery. The right is reserved to reject and return at the risk and expense of the supplier such portion of any shipment which may be defective or fail to comply with specifications without invalidating the remainder of the order. Rejected material will be held for disposition at the expense and risk of the seller.
9. This order is subject to sales tax, exempt from federal tax. Certificate of exemption will be provided upon request.
10. All goods and/or services shall be in compliance with all federal, state and local law including but not limited to OSHA and CAL OSHA.
11. The seller shall provide the District with a Material Safety Data Sheet for each product containing substances on the List of Hazardous Substances published by the California Administrative Code, Title S, Section 5194. These sheets must be sent to Oceano Community Services District at P O Box 599, Oceano, CA 93475-0599. Please reference the above purchase order number.

12. **CONTRACT TIME** The Contractor recognizes that the work is being performed as an emergency project in accordance with applicable provisions of the California Public Contracts code and that time is of the essence. The work shall begin on Monday May 7, 2018 provided that the District has secured the right of entry requirements and has completed all the preparatory work. Once the work commences, the Contractor will work diligently to complete the work.
13. **PAYROLL RECORDS - Prevailing Wage Requirements.** Attention is directed to the provisions in Section 1776 of the Labor Code and section 7-1.02K(3), "Certified Payroll Records," of the General Conditions concerning Contractor and Subcontractor payroll records. The Contractor and any Subcontractor shall comply with the requirements of Section 1776 of the Labor Code. The Contractor and all Subcontractors shall furnish electronic certified payroll records directly to the Labor Commissioner (Division of Labor Standards Enforcement). In addition, the Contractor must post job site notices prescribed by regulations.
14. **SAFETY** -All work conducted by the Contractor and/or Subcontractors in the execution of this contract shall be in accordance with current CAL OSHA requirements.
15. **EMMISSIONS REDUCTIONS** - During the performance of this Contract, Contractor agrees to comply with Emissions Reductions. Submit to the District the following certification before performing the work: I am aware of the emissions reduction regulations being mandated by the California Air Resources Board. I will comply with such regulations before commencing the performance of the work and maintain compliance throughout the duration of this Contract. Commencing work constitutes submittal of this certification.
16. **FAIR EMPLOYMENT PRACTICES**
 - a) In the performance of this Agreement, Contractor will not discriminate against any employee for employment because of race, color, sex, sexual orientation, religion, ancestry or national origin, physical disability, medical condition, marital status, political affiliation, family and medical care leave, pregnancy leave, or disability leave. Contractor will take affirmative action to ensure that employees are treated during employment without regard to their race, sex, sexual orientation, color, religion, ancestry, or national origin, physical disability, medical condition, marital status, political affiliation, family and medical care leave, pregnancy leave, or disability leave. Such action shall include, but not be limited to, the following: employment; upgrading; demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor shall post in conspicuous places, available to employees for employment, notices to be provided by the District setting forth the provisions of this article.
 - b) Contractor, its contractor(s) and all Subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12900 et seq.), and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2,
 - c) Section 7285.0 et seq.). The applicable regulations of the Fair Employment and

Housing Commission implementing Government Code, Section 12900(a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Each of the Contractor's contractors and all Subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreements, as appropriate.

- d) Contractor shall include the nondiscrimination and compliance provisions of this clause in all contracts and subcontracts to perform work under this Agreement.
- e) Contractor will permit access to the records of employment, employment advertisements, application forms, and other pertinent data and records by the District, the California Department of Transportation, the State Fair Employment and Housing Commission, or any other agency of the State of California designated by California Department of Transportation, for the purposes of investigation to ascertain compliance with this article.
- f) Remedies for Willful Violation:
 - i. The District may determine a willful violation of the Fair Employment provision to have occurred upon receipt of a final judgment to that effect from a court in an action to which Contractor was a party, or upon receipt of a written notice from the Fair Employment and Housing Commission that it has investigated and determined that Contractor has violated the Fair Employment Practices Act and had issued an order under Labor Code Section 1426 which has become final or has obtained an injunction under Labor Code Section 1429.
 - ii. For willful violation of this Fair Employment Provision, the District shall have the right to terminate this Agreement either in whole or in part, and any loss or damage sustained by the District in securing the goods or services thereunder shall be borne and paid for by Contractor and by the surety under the performance bond, if any, and the District may deduct from any moneys due or thereafter may become due to Contractor, the difference between the price named in the Agreement and the actual cost thereof to the District to cure Contractor's breach of this Agreement.

17. **CONTRACTORS LICENSE NOTICE** - Contractors is required to be a Class A Contractor and licensed and regulated by the Contractors State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four (4) years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten (10) years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors State License Board, P.O. Box 26000, Sacramento, California 95826.

18. **WORKERS COMPENSATION CERTIFICATION** - In accordance with California Labor Code §§ 1860, 1861 and 3700, every Contractor will be required to secure the payment of compensation to its employees. By commencing work, Contractor certifies as follows: "I am aware of the provisions of Section 3700 of the Labor Code, which require every employer to be insured against liability for workers' compensation or to undertake self- insurance in

accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Contract.”

19. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT REQUIREMENTS.

- a) Overtime Requirements. - No Contractor or Subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
- b) Violation; Liability for Unpaid Wages; Liquidated Damages. -In the event of any violation of the clause set forth in paragraph 1 of this Article the Contractor and any Subcontractor responsible therefor shall be liable for the unpaid wages.

20. OTHER CONTRACT CERTIFICATIONS. Upon commencing work, the Contractor is representing and certifying the following:

- a) The Contractor certifies that no officer of the contractor, or any employee of the contractor who has a proprietary interest in the contractor, ever been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of a violation of law or a safety regulation.
- b) The Contractor certifies, under penalty of perjury, that no more than one final unappealable finding of contempt of court by a federal court has been issued against the Contractor within the immediately preceding two-year period because of the contractor's failure to comply with an order of a federal court which orders the contractor to comply with an order of the National Labor Relations Board.
- c) The Contractor certifies under penalty of perjury under the laws of the State of California that the Contractor has not been convicted within the preceding three years of any offenses referred to in that section, including any charge of fraud, bribery, collusion, conspiracy, or any other act in violation of any state or Federal antitrust law in connection with the bidding upon, award of, or performance of, any public works contract, as defined in Public Contract Code Section 1101, with any public entity, as defined in Public Contract Code Section 1100, including the Regents of the University of California or the Trustees of the California State University. The term “Contractor” is understood to include any partner, member, officer, director, responsible managing officer, or responsible managing employee thereof, as referred to in Section 10285.1.

21. The Contractor shall provide their Public Works Contractor Registration Number for the Department of Industrial Relations.

22. The contractor shall comply with the applicable permit conditions established in Appendix B.

23. The work shall be completed in accordance with Standard Specifications included in Appendix C.

24. The District shall provide surveying controls as provided in Appendix D.

25. The Contractor shall provide Certificates of Insurance prior to commencing work based on the following Insurance Requirements.

INSURANCE REQUIREMENTS

INDEMNIFICATION

To the fullest extent permitted by law, CONTRACTOR shall indemnify, and hold harmless the District and its officers, agents, employees, and volunteers from and against all claims, demands, damages, liabilities, loss, costs, and expense (including attorney's fees and costs of litigation) of every nature arising out of or in connection with Contractor's performance or attempted performance of work hereunder or its failure to comply with any of its obligations contained in the agreement, except such loss or damage which was caused by negligence or misconduct of the District.

INSURANCE COVERAGE

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

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. Commercial General Liability (CGL); Insurance Services Office (ISO) Form CG 0001 covering CGL on an "occurrence" basis for bodily injury and property damage, including products-completed, operations, personal injury and advertising injury, with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: ISO Form Number CA 0001 covering, Code 1 (any auto), or if Contractor has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damages.
3. Worker Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease. If Contractor will provide leased employees, or is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage shall also include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 O1 A) naming the District as the Alternate Employer, and the endorsement form shall be modified to provide that District will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Contractor's operations, coverage also shall be

arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.
(Not required if Contractor provides written verification it has no employees)

If the contractor maintains higher limits than the minimums shown above, the District requires and shall be entitled to coverage for the higher limits maintained by the contractor.

OTHER INSURANCE PROVISIONS

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status:

The District, its officers, officials, employees, and volunteers are to be covered as insureds on the auto policy with respect to liability arising out of automobiles owned, leased, hired or borrowed by, or on behalf of the Contractor; and on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10, 11 85 or both CG 20 10 and CG 23 37 forms if later revisions used).

Primary Coverage

For any claims related to this contract, the Contractor's insurance coverage shall be primary insurance as respects the District, its officers, officials, employees, and volunteers. Any insurance of self-insurance maintained by the District, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

Notice of Cancellation

Each insurance policy required above shall state that coverage shall not be canceled, except after thirty (30) days prior written notice (10 days for non-payment) has been given to the District.

Failure to Maintain Insurance

Contractor's failure to maintain or to provide acceptable evidence that it maintains the required insurance shall constitute a material breach of the Contract upon which the District immediately may withhold payments due to Contractor, and/or suspend or terminate this Contract. The District, at its sole discretion, may obtain damages from Contractor resulting from said breach.

Waiver of Subrogation

Contractor hereby grants to District a waiver of any right to subrogation which any insurer of said Contractor may acquire against the District by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the District has received a waiver of subrogation endorsement from the insurer.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the District. The District may require the Contractor to provide proof of ability to pay losses and related investigation, claim administration, and defense expenses within the retention.

Acceptability of Insurers

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

Claims Made Policies

If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work;
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work;
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive date prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five (5) years.

Separation of Insured's

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separate of insured's provision with no insured versus insured exclusions or limitation.

Verification of Coverage

Contractor shall furnish the District with original certificates and mandatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the District before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The District reserves the right to required complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Certificates and copies of any required endorsements shall be sent to:

Oceano Community Services District
P.O. Box 599
Oceano, CA 93475-0599

Subcontractors

Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein.

Special Risks or Circumstances

District reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.



April 20, 2018

California Coastal Commission
45 Fremont, Suite 2000
San Francisco, CA, 94105
Attention: Daniel Robinson

RE: Application for Emergency Permit Pursuant to Section 30624(a) of the Coastal Act for the Oceano Community Services District Emergency Waterline Replacement Project, Oceano, California

The following information is being provided by Terra Verde Environmental Consulting, LLC (Terra Verde) on behalf of the Oceano Community Services District (OCSD) (Applicant) pursuant to Section 30624(a) of the Coastal Act in support of obtaining an Emergency Permit for the proposed OCSD Emergency Waterline Replacement Project (project) located in the community of Oceano, San Luis Obispo County (County), California (see Attachment A – Figure 1: Project Overview). Specifically, the OCSD identified a broken waterline under the Oceano Lagoon on March 24, 2018 and is proposing emergency action to install a new waterline via horizontal directional drilling under Oceano Lagoon for the purposes of restoring flow through the broken water line and to ensure essential public services (i.e., potable water and emergency services). The proposed emergency project is located within the California Coastal Commission (CCC) retained jurisdiction and meets the definition of an emergency per the California Public Resources Code – 13009 due to the sudden unexpected occurrence demanding immediate action to prevent or mitigate loss or damage to life, property, or essential public services.

The following information is being provided to meet the conditions required to obtain an Emergency Permit from the CCC. Specifically, this submittal includes the following:

- A Complete Application for Emergency Permit;
- Project Description;
- Project Maps;
- HDD Draft Profile Illustration;
- Frac-Out Contingency Plan (Example); and,



- Site Photographs.

It should be noted that additional authorizations including a County Emergency Permit and encroachment permit from California State Parks are in the process of being obtained. The OCSD is currently authorized under an existing County Annual Encroachment Permit to conduct emergency work within the County right of way. Further, an Emergency Resolution is expected to be passed and adopted by the Board of Directors of the OCSD in support of emergency work described herein. The contractors that will be performing the work will be identified following an expedited procurement process with the OCSD. Upon selection, the contractors will be responsible for developing a Frac-Out Contingency Plan. The Frac-Out Contingency Plan shall be similar in depth and scope as the example provided in Attachment E.

If you should have any questions in regard to the proposed project or enclosed materials, please contact me at bdugas@terraverdeweb.com or (805) 701-4648.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Dugas", written in a cursive style.

Brian Dugas
Principal Biologist

Attachments:

- A – Application for Emergency Permit Pursuant to Section 30624(a) of the Coastal Act
- B – Project Figures
- C – Project Description and HDD Draft Profile Illustration
- D – Avoidance and Minimization Measures
- E – Example Frac-Out Contingency Plan
- F – Site Photographs

Cc: Paavo Ogren, OCSD
Kerry Brown, County of San Luis Obispo Department of Planning and Building
Dena Bellman, California State Parks

Attachment A: Application for Emergency Permit Pursuant to Section 30624(a) of the Coastal Act

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**APPLICATION FOR EMERGENCY PERMIT (EP)
PURSUANT TO SECTION 30624(a) OF THE COASTAL ACT**

1.

Date/Time:	Request:
April 20, 2018	By Mail (email)

2.

Name(s) of Property Owner(s):	Name(s) of Representative(s):
Paavo Ogren	Brian Dugas
Oceano Community Services District (OCS D)	Terra Verde Environmental Consulting, LLC
Address:	Address:
1655 Front Street	3765 South Higuera Street, Suite 102
Oceano, CA, 93445	San Luis Obispo, CA, 93401
Phone Number:	Phone Number:
(805) 481-6730	(805) 701-4648

3.

Location of Emergency and proposed location of work to be done under this EP:
<p>The project is located in the community of Oceano in San Luis Obispo County, California. The project area intersects the lower section of the Meadow Creek corridor and associated lagoon (i.e., Oceano Lagoon) which is a perennial tributary to the tidal waters of the Arroyo Grande Creek mouth and the traditionally navigable waters of the Pacific Ocean (refer to Attachment B – Figure 1: Project Overview). The project is located in the Coastal Zone of San Luis Obispo County as designated by the California Public Resources Code Division 20, Section 30000 – 30012 which includes a portion of the California Coastal Commissions (CCC) originally retained jurisdiction (refer to Attachment B – Figure 2: CCC Originally Retained Jurisdiction). The project proposes to utilize horizontal directional drilling (HDD) to install a new high-density polyethylene (HDPE) pipe. The existing damaged waterline will be abandoned in place. A boring entry pit will be located at the western end of Maui Circle and an exit pit will be located at the southern end of Laguna Drive (refer to Attachment B – Figure 1). The HDD method would allow construction activities to remain outside of the lagoon encroachment area (bed and banks) and will avoid disturbance to sensitive habitat of the Oceano Lagoon. Please also refer to Attachment B – Figure 3: Sensitive Biological Resources for an overview of sensitive resources identified within vicinity of the proposed project by Terra Verde in 2012.</p>



4.

Evidence of applicant's interest in property on which emergency work is to be performed:

The OCSD maintains the utility infrastructure (waterline) for the purposes of providing public services to the community of Oceano and is responsible for the maintenance and/or repair of said infrastructure.

5.

Assessor's Parcel Number (APN):

Project located in 061-093-039 and County and State Parks Right-of-Way. Adjacent APN's are as follows: 061-083-003, 061-093-038, 061-071-034, and 061-072-048.

6.

Contractor, or person(s) who will do emergency work/address/phone number:

The contractor, or persons who will be performing the emergency work, including their address and phone number shall be provided at a later date following an expedited procurement process with the OCSD.

7.

Nature and cause of Emergency (description including evidence that an emergency exists, as defined in the Commission's regulations, 14 Cal. Code Res Sec. 13009, including any relevant documentation such as reports and photos):

The emergency was identified on March 24, 2018 when the OCSD received a report for low water pressure at a property on McCarthy Avenue. Upon investigation, it was determined that a waterline under the Oceano Lagoon had failed. On March 28, 2018, the Oceano District Board of Directors authorized the Oceano District Manager to initiate certain emergency actions, including meeting requirements and/or obtaining authorizations of state and federal environmental resource agencies and local governments to repair the damaged waterline and restore flow to ensure essential public services. Due to a number of essential public services that are dependent on the function of the waterline including, but not limited, providing potable water and emergency response (e.g., fire safety) to the community of Oceano, the project meets the definition of an emergency as defined in the California Public Resources Code 13009. Please refer to Attachment F: Site Photographs for photographs of the emergency site and proposed work locations.

8.

The circumstances during the emergency that appeared to justify the course(s) of action taken, including the probable consequence of failing to take action:

The lack of access to potable water and sufficient resources to protect the community in the event of an emergency (i.e., fire) was the justification presented to and validated by the District Board of Directors. Please refer to Attachment C [Exhibit – Item 9(c)] for an overview of the remaining single lines that are now the only service lines for this community.



9.

Method and preventive work required to address the emergency situation (e.g., rip rap, sandbags, etc.):

Refer to Attachment C: Project Description and HDD Draft Profile Illustration for an overview of the proposed work. In addition, refer to Attachment D: Avoidance and Minimization Measures which will be implemented for the duration of the project. Further, refer to Attachment E for an example Frac-Out Contingency Plan which will be developed for the project by the selected HDD contractor.

10.

Timing of emergency work:

The proposed emergency work will be initiated upon approval of contractor bid. The proposed project will take approximately four to five days to complete including mobilization, HDD operations, and clean up. Refer to Attachment C for a detailed project description and schedule information.

Attachments referenced and included as a part of this submittal include the following:

- Attachment B – Figures
- Attachment C – Project Description and HDD Draft Profile Illustration
- Attachment D – Avoidance and Minimization Measures
- Attachment E – Example Frac-Out Contingency Plan
- Attachment F – Site Photographs

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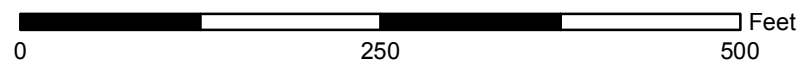
Attachment B: Project Figures

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**Oceano Lagoon Emergency Water Line Replacement
Figure 1 - Project Overview**

- Bore Pits
- Water Line
- ▬▬▬▬▬▬ Corps Other Waters/Channel Features*
- Corps Wetlands*
- ▬▬▬▬▬▬ Approximate Ordinary High Water Mark*
- ▨▨▨▨▨▨ Corps Other Waters*
- ▦▦▦▦▦▦ CDFW Wetlands*



*data collected by Terra Verde for An Analysis of the Geographic Extent of Regulated Waters and Wetlands in the Meadow Creek Lagoon (2012)

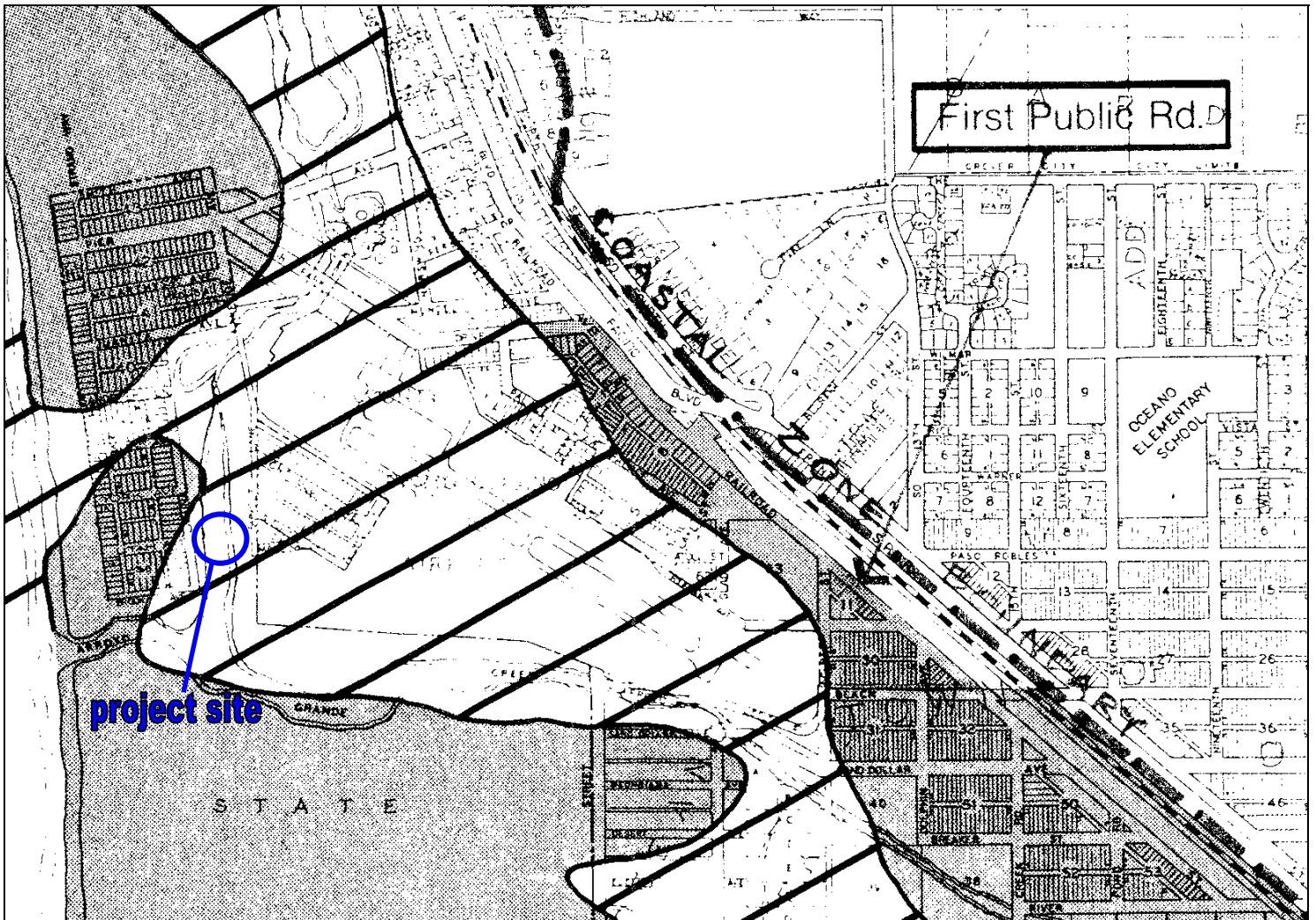










Figure 2 – CCC Originally Retained Jurisdiction





PROPOSED PROJECT AREA

- | | | | |
|---|-------------------------|---|----------------------------|
|  | Survey Area |  | White-tailed Kite |
|  | California spineflower |  | Tidewater Goby |
|  | Blochman's leafy daisy |  | California Red-legged Frog |
|  | Blochman's ragwort |  | Pacific Pond Turtle |
|  | Southwestern spiny rush | | |

Oceano Lagoon Emergency Water Line Replacement
Figure 3: Sensitive Biological Resources*

N

TERRA • VERDE

0 250 500 Feet

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Attachment C: Project Description and HDD Draft Profile Illustration

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Project Description

The Oceano Community Services District (OCS D) currently operates and maintains the water system for the residents in Oceano. Recently, a water main break under the Oceano Lagoon occurred, and an emergency repair is needed to reconnect the water system and restore flow to ensure essential public services (i.e., potable water and emergency services). Specifically, the existing 8-inch asbestos-cement pipe (ACP) pipeline was direct buried under the lagoon, and has failed. Two points of connection serve the beachfront neighborhood and the island neighborhood with a looped pipe network. With the lagoon crossing out of service, these two areas are now only being served by one point of connection each, and vulnerable to service interruption and reduced fire flows.

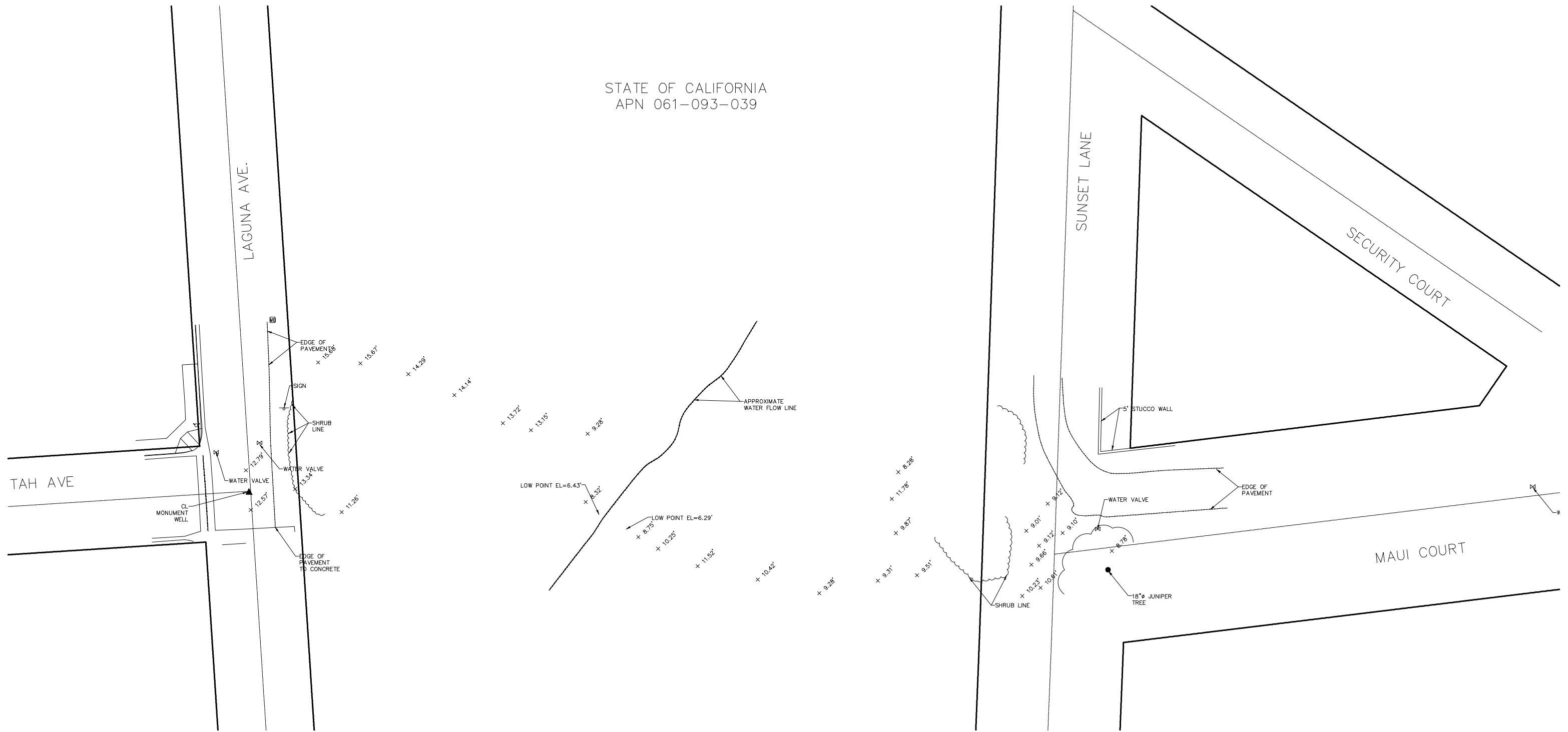
To make the pipeline repair, the existing 8-inch ACP pipe will be abandoned in place and replaced at this location with approximately 400 linear feet of new 10-inch high-density polyethylene (HDPE) pipe with a dimension ratio (DR) of 11. HDPE pipe in this size has a wall thickness of nearly 1-inch, so in order to keep the same flow capabilities as the existing 8-inch pipe and maintain fire flow, a 10-inch HDPE pipe will be used.

To avoid disturbance to the sensitive habitat of the Lagoon, the District has determined that utilizing horizontal directional drilling (HDD) to replace the existing line will create the least impact. This will allow construction activities to remain outside of the lagoon encroachment area. No excavation will be performed within the lagoon bed or banks. The HDD equipment will install the pipeline utilizing an entrance pit on Maui Circle (approximately 8'x15'), and an exit pit on Laguna Drive (approximately 8'x10'). The pilot bore and reaming will be done from the Maui Circle side, and when it is time to pull the pipe under the lagoon, the drill rig will remobilize to Laguna Drive and pull the HDPE pipe into the borehole. Some minor trimming of several willow trees (*Salix* sp.) will be necessary to allow project personnel safe foot access along the pipeline corridor for the purposes of monitoring during HDD operations.

The entire operation will take approximately 4-5 days in the field. The contractor will mobilize and deliver materials on Day 1. The HDPE pipe will be delivered in 40-foot sticks, and will need to be fusion welded together. The fusing process takes about 1 hour per joint. Since the entire length of pipe is 400+ feet, it will take approximately 2 days to complete the fusing process. The HDD portion of the project can be done in one day, and the final day will be making connections to the existing isolation gate valves on either side of the lagoon, and cleaning up to demobilize.

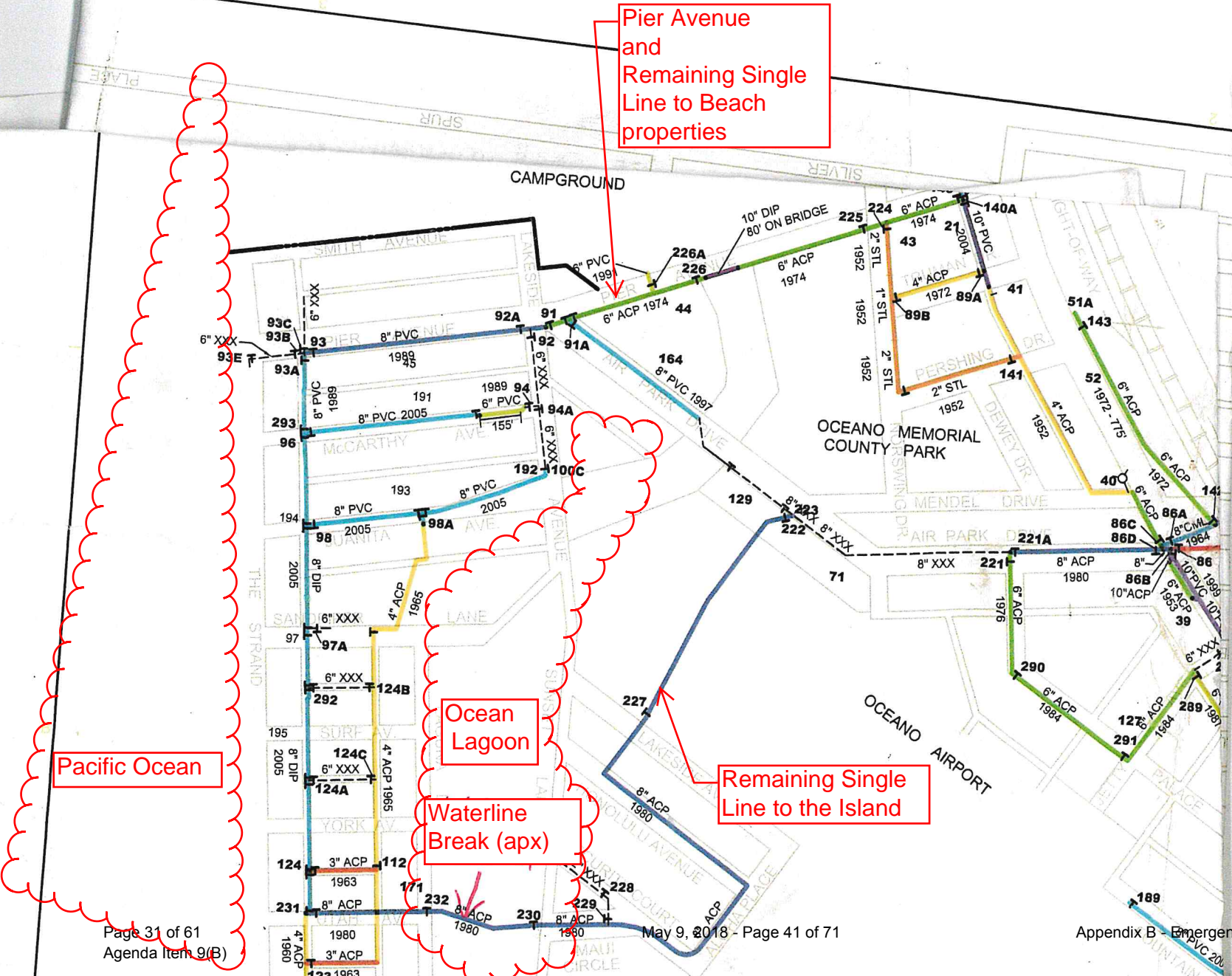


STATE OF CALIFORNIA
APN 061-093-039



**EXHIBIT - ITEM 9(C)
 OCEANO CSD
 BOARD MEETING DATE MARCH 28, 2018
 (PROPOSED ADDITION TO AGENDA)**

Attachment - Waterline Map



Attachment D: Avoidance and Minimization Measures

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Avoidance and Minimization Measures (AMMs)

The following avoidance and minimization measures will be implemented as a part of the project and are intended to avoid and/or minimize potential effects to sensitive biological resources:

AMM 1: An environmental training shall be conducted for all project personnel working prior to the start of the project.

AMM 2: A pre-construction survey for special-status species with potential to occur including California red-legged frog (*Rana draytonii*), western pond turtle (*Actinemys marmorata*), and nesting birds shall be conducted by a qualified biologist prior to the start of the project. If any special-status species is observed during the survey, work shall immediately stop and the species shall be allowed to leave the area on its own volition. Further, avoidance disturbance buffers will be established around identified nest sites and monitored during construction, as necessary.

AMM 3: Daily pre-activity surveys shall be conducted with the work area by a qualified biologist prior to the start of work each day. If any special-status species is observed during the survey, work shall immediately stop and the species shall be allowed to leave the area on its own volition.

AMM 4: All work performed shall be completed in a manner that minimizes impacts to existing wetland and water features and associated sensitive habitat areas.

AMM 5: All vegetation trimming shall be kept to the minimum necessary to allow safe access to the pipeline corridor for monitoring during drilling operations.

AMM 6: Erosion and sediment control measures shall be on site prior to the start of project activities and kept on site at all times so they are immediately available for installation in anticipation of rain events.

AMM 7: Erosion and sediment control measures and other construction best management practices (BMPs) shall be implemented and maintained in accordance with all specifications governing their proper design, installation, operation, and maintenance.

AMM 8: All equipment shall work from top of bank to the extent feasible. No equipment shall be operated in flowing water.

AMM 9: Equipment staging areas for vehicle fueling and storage shall be located at least 50 feet away from any open water habitat, in a location where fluids or accidental discharges cannot flow into waterways.



AMM 10: All vehicles, equipment, materials, and any temporary BMPs no longer needed shall be removed from the site upon completion of the project.

AMM 11: Any stockpile(s) shall be kept a minimum of 100 feet from the banks of any water body to prevent material from re-entering a water body. At no time shall any stockpiles, waste piles, or debris associated with this project be located within surface water, or where it can be washed back into surface water.

AMM 12: A Frac-Out Contingency Plan shall be prepared prior to initiation of project activities. The plan shall sufficiently address 1) the steps that will be taken to contain and remove drill mud or other fluids which escape the alignment, 2) the clean-up efforts shall be specific to habitat types (i.e., terrestrial and aquatic habitat) to limit the degradation to habitat quality and potential impacts to special-status species, 3) notifications that will be made to resource agencies and timing of those notifications, and 4) clean-up materials/equipment that will be present and available on the project site at all times.

Attachment E: Example Frac-Out Contingency Plan

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Contingency Response

Once a frac-out is identified:

- All work stops, including the recycling of drilling mud/lubricant. The pressure of water above the pipe keeps excess mud from escaping through the fracture.
- Determine the location and extent of the frac-out and notify appropriate entities.

If the frac-out is terrestrial (dirt area):

- Isolate the area with hay bales, sand bags, or silt fencing to surround and contain the drilling mud.
- Consult with property owner representatives regarding next appropriate action among the following:
 - A mobile vacuum truck will be used to pump the drilling mud from the contained area and recycled to the return pit.
 - The drilling mud will be left in place to avoid potential damage from vehicles entering the area.
- Once excess drilling mud is removed, the area will be seeded and/or replanted using species similar to those in the adjacent area, or allowed to re-grow from existing vegetation.

If the frac-out is aquatic (i.e., under water):

- Monitor frac-out for 4 hours to determine if the drilling mud congeals. (Bentonite will usually harden, effectively sealing the frac-out location).
- Consult with property owner representative regarding next appropriate action among the following:
 - If drilling mud congeals, take no other action that would potentially suspend sediment in the water column.
 - If drilling mud does not congeal, erect isolation/containment environment (underwater boom and curtain).
- If the spill affects an area that is vegetated, the area will be seeded and/or replanted using species similar to those in the adjacent area, or allowed to re-grow from existing vegetation.

After frac-out is stabilized and any required removal is completed, document post-cleanup conditions with photographs and prepare frac-out incident report describing time, place, actions taken to remediate frac-out and measures implemented to prevent recurrence.



FRAC OUT CONTINGENCY PLAN

Frac-out, or inadvertent return of drilling lubricant, is a potential concern when the HDD is used under sensitive habitats, waterways, and areas of concern for cultural resources. The HDD procedure uses bentonite slurry, a fine clay material as a drilling lubricant. The bentonite is non-toxic and commonly used in farming practices, but benthic invertebrates, aquatic plants and fish and their eggs can be smothered by the fine particles if bentonite were discharged to waterways.

The purpose of a Contingency Plan or “Frac-out” plan is to:

- Minimize the potential for a frac-out associated with horizontal directional drilling activities
- Provide for the timely detection of frac-outs
- Protect areas that are considered environmentally sensitive (streams, wetlands, other biological resources, cultural resources)
- Ensure an organized, timely, and “minimum-impact” response in the event a frac-out and release of drilling mud occur
- Ensure that all appropriate notifications are made immediately (e.g. Job site superintendent, owner, etc), and to appropriate regulatory agencies in 24 hours and that documentation is completed

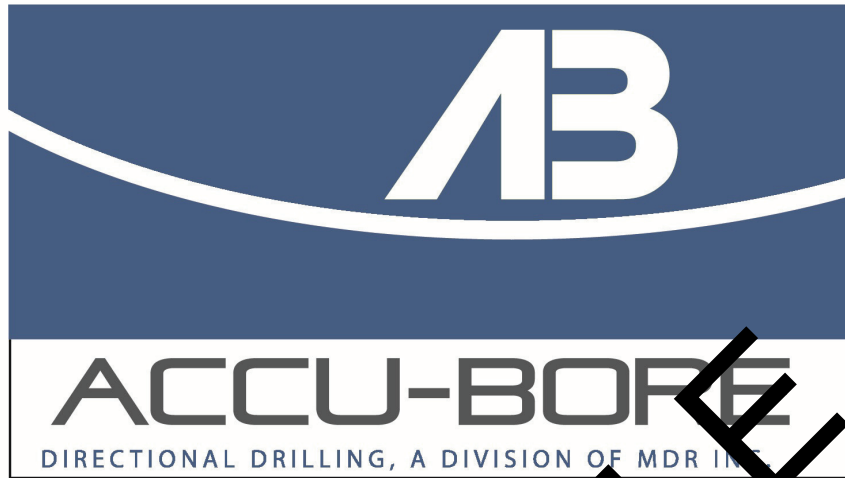
Prior to construction, sensitive cultural and biological resources will be protected by implementing the following measures:

- A pedestrian survey will be conducted of the drilling entry and exit areas, surrounding work areas, and the drilling route (to the extent it is accessible) to ensure that there are no cultural resources present on the surface.
- Stockpile barrier material (straw bales, wattles, or sedimentation fences) nearby the sensitive resources prior to drilling.
- On-site briefings will be conducted for the workers to identify and locate sensitive resources at the site.
- Ensure that all field personnel understand their responsibility for timely reporting of frac-outs
- Maintaining necessary response equipment on-site or at a readily accessible location and in good working order
- Disallowing fill into waters of the United States unless proper permits have been obtained

The primary areas of concern for inadvertent returns occur at the entrance and exit points where the drilling equipment are at depths of less than 12 to 20 feet deep. The likelihood of inadvertent return decreases as the depth of the pipe increases.

To minimize the potential extent of impacts from a frac-out, all HDD will be monitored by the equipment locator/monitor, to look for observable “frac-out” conditions or lowered pressure readings on the drilling equipment. Early detection is key to minimizing the area of potential impact.

*APPENDIX 2– FRAC-OUT CONTINGENCY
RESPONSE*



EXAMPLE

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Attachment F: Site Photographs

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Site Photographs



Photo 1. View west of proposed entrance bore pit located on Maui Circle (April 10, 2018).



Photo 2. View south of existing pipeline alignment within the Oceano Lagoon and existing pedestrian trail (April 10, 2018).



Photo 3. View east of proposed exit pit location on Laguna Drive (April 10, 2018).



Photo 4. View south of proposed exit pit location on Laguna Drive (April 10, 2018).

STANDARD SPECIFICATIONS

SECTION 02320 HORIZONTAL DIRECTIONAL DRILLING (HDD)

PART 1 GENERAL

1.01 DESCRIPTION

The work specified in this section consists of furnishing and installing underground utilities using the horizontal directional drilling (HDD) method of installation, also commonly referred to as directional boring or guided horizontal boring. This work shall include all services, equipment, materials, and labor for the complete and proper installation, testing, restoration of underground utilities and environmental protection and restoration.

1.02 REFERENCE STANDARDS

The publications listed below form part of this specification to the extent referenced and are referred to in the text by the basic designation only. Reference shall be made to the latest edition of said standards unless otherwise called for.

- A. Plastics Pipe Institute – Guidelines for Use of Mini-Horizontal Directional Drilling for Placement of High Density Polyethylene Pipe
- B. Caltrans – Encroachment Permits Guidelines and Specifications for Trenchless Technology Projects

1.03 RELATED WORK SPECIFIED ELSEWHERE

- A. Standard Plans
- B. Technical Specifications

1.04 QUALITY ASSURANCE

The requirements set forth in this document specify a wide range of procedural precautions necessary to insure that the very basic, essential aspects of a proper directional bore installation are adequately controlled.

Strict adherence shall be required under specifically covered conditions outlined in this specification. Adherence to the specifications contained herein, or the Engineer's approval of any aspect of any directional bore operation covered by this specification, shall in no way relieve the Contractor of their ultimate responsibility for the satisfactory completion of the work authorized under the Contract.

Contractor shall have been actively engaged in horizontal directional drilling for a minimum of at least 5 years. All field supervisory personnel shall also be experienced in the performance of the work and tasks as stated herein.

1.05 SUBMITTALS

A. WORK PLAN

Prior to beginning work, the Contractor must submit to the Engineer a general work plan outlining the procedure and schedule to be used to execute the project. Plan should document the thoughtful planning required to successfully complete the project.

B. EQUIPMENT

Contractor will submit specifications on directional drilling equipment to be used to ensure that the equipment will be adequate to complete the project.

C. MATERIALS

Specifications on material to be used shall be submitted to Engineer. Material shall include the pipe, fittings and any other item which is to be an installed component of the project.

PART 2 MATERIALS

2.01 EQUIPMENT

The directional drilling equipment shall consist of a directional drilling rig of sufficient capacity to perform the bore and pullback the pipe, a drilling fluid mixing & delivery system of sufficient capacity to successfully complete the crossing, a guidance system to accurately guide boring operations and trained and competent personnel to operate the system. All equipment shall be in good, safe operating condition with sufficient supplies, materials and spare parts on hand to maintain the system in good working order for the duration of this project.

2.02 DRILLING SYSTEM

A. DRILLING RIG

The directional drilling machine shall consist of a hydraulically powered system to rotate, push and pull hollow drill pipe into the ground at a variable angle while delivering a pressurized fluid mixture to a guidable drill (bore) head. The machine shall be anchored to the ground to withstand the pulling, pushing and rotating pressure required to complete the crossing. The hydraulic power system shall be self-contained with sufficient pressure and volume to power drilling operations. Hydraulic system shall be free of leaks. Rig shall have a system to monitor and record maximum pull-back pressure during pull-back operations.

B. DRILL HEAD

The drill head shall be steerable by changing its rotation and shall provide the necessary cutting surfaces and drilling fluid jets.

C. MUD MOTORS(if required)

Mud motors shall be of adequate power to turn the required drilling tools.

D. DRILL PIPE

Drill pipe shall be constructed of high quality 4130 seamless tubing, grade D or better, with threaded box and pins. Tool joints should be hardened to 32-36 RC.

2.03 GUIDANCE SYSTEM

The Guidance System shall be of a proven type and shall be setup and operated by personnel trained and experienced with this system. The Operator shall be aware of any magnetic anomalies and shall consider such influences in the operation of the guidance system if using a magnetic system.

2.04 DRILLING FLUID (MUD) SYSTEM

A. MIXING SYSTEM

A self-contained, closed, drilling fluid mixing system shall be of sufficient size to mix and deliver drilling fluid composed of bentonite clay, potable water and appropriate additives. Mixing system shall be able to molecularly shear individual bentonite particles from the dry powder to avoid clumping and ensure thorough mixing. The drilling fluid reservoir

tank shall be sized for adequate storage of the mud. Mixing system shall continually agitate the drilling fluid during drilling operations.

B. DRILLING FLUIDS

Drilling fluid shall be composed of clean water and an appropriate additive. Water shall be from a clean source with a pH of 8.5 – 10 and/or as per mixing requirements of the Manufacturer. Water of a lower pH or with excessive calcium shall be treated with the appropriate amount of sodium carbonate or equal. The water and additives shall be mixed thoroughly and be absent of any clumps or clods. No hazardous additives may be used. Drilling fluid shall be maintained at a viscosity sufficient to suspend cuttings and maintain the integrity of bore wall.

C. DELIVERY SYSTEM

The mud pumping system shall have a minimum capacity to supply mud in accordance with the drilling equipment pull-back rating at a constant required pressure. The delivery system shall have filters in-line to prevent solids from being pumped into the drill pipe. Connections between the pump and drill pipe shall be relatively leak-free. Used drilling fluid and drilling fluid spilled during drilling operations shall be contained and properly disposed of. Straw waddles shall be maintained around drill rigs, drilling fluid mixing system, entry and exit pits and drilling fluid recycling system (if used) to prevent spills into the surrounding environment. Pumps and or vacuum truck(s) of sufficient size shall be in place to convey excess drilling fluid from containment areas to storage facilities.

2.05 OTHER EQUIPMENT

A. PIPE ROLLERS

Pipe rollers, if required, shall be of sufficient size to fully support the weight of the pipe while being hydro-tested and during pull-back operations. Sufficient number of rollers shall used to prevent excess sagging of pipe.

B. PIPE RAMMERS

Hydraulic or pneumatic pipe rammers may only be used if necessary and with the authorization of Engineer.

C. RESTRICTIONS

Other devices or utility placement systems for providing horizontal thrust other than those previously defined in the preceding sections shall not be

used unless approved by the Engineer prior to commencement of the work. Consideration for approval will be made on an individual basis for each specified location. The proposed device or system will be evaluated prior to approval or rejection on its potential ability to complete the utility placement satisfactorily without undue stoppage and to maintain line and grade within the tolerances prescribed by the particular conditions of the project.

PART 3 EXECUTION

3.01 GENERAL

The Engineer must be notified 48 hours in advance of starting work. The Directional Bore shall not begin until the Engineer is present at the job site and agrees that proper preparations for the operation have been made. The Engineer approval for beginning the installation shall in no way relieve the Contractor of the ultimate responsibility for the satisfactory completion of the work as authorized under the Contract. It shall be the responsibility of Engineer to provide inspection personnel at such times as appropriate without causing undue hardship by reason of delay to the Contractor.

3.02 PERSONNEL REQUIREMENTS

All personnel shall be fully trained in their respective duties as part of the directional drilling crew and in safety.

3.03 DRILLING PROCEDURE

A. SITE PREPARATION

1. Prior to any alterations to work-site, contractor shall photograph the work area, including entry and exit points. Photos shall be given to Engineer and one copy to remain with contractor for a period of one year following the completion of the project.
2. Work site as indicated on drawings, within right-of-way, shall be graded or filled to provide a level working area. No alterations beyond what is required for operations are to be made. Contractor shall confine all activities to designated work areas.

B. DRILL PATH SURVEY

Entire drill path shall be accurately surveyed with entry and exit stakes placed in the appropriate locations within the areas indicated on drawings.

If contractor is using a magnetic guidance system, drill path will be surveyed for any surface geo-magnetic variations or anomalies.

1. Contractor shall monitor and record x, y, and z coordinates of the drill head relative to an established surface survey bench mark. Deviations between the recorded and design bore path shall be calculated and reported on the daily log. Deviations that exceed the tolerances specified shall be immediately reported to the District Engineer.
2. Drill pipe thrust and torque shall be measured and recorded at least once per drill pipe length or at 30 feet or 30-minute intervals, whichever is more frequent. Loss of circulation or sudden increases in torque or thrust shall be reported to the District Engineer immediately. Thrust and torque measurements shall be made during pilot hole drilling, pre-reaming, reaming, and pullback, and shall be written in daily logs. Instances of thrust, torque, or pullback exceeding allowable limits of the pipe or equipment shall be reported immediately to the District Engineer.
3. Drilling fluid pressures and flow rates shall be continuously monitored and recorded at the pump discharge. These measurements shall be made during pilot hole drilling, reaming, and pullback operations.
4. The Contractor shall measure and record drilling fluid viscosity and density at least three times per shift with at least two hours between readings, using calibrated Marsh funnel and mud balance. These measurements shall be included in daily logs. The Contractor shall document modifications to the drilling fluids, by noting the types and quantities of drilling fluid additives and the dates and times when introduced. The reason for the addition of drilling fluid additives or other modifications shall be documented and reported.

C. ENVIRONMENTAL PROTECTION

Contractor shall place silt fence between all drilling operations and any drainage, wetland, waterway or other area designated for such protection by contract documents, state, federal and local regulations. Additional environmental protection necessary to contain any hydraulic or drilling fluid spills shall be put in place, including berms, liners, turbidity curtains and other measures. Contractor shall adhere to all applicable environmental regulations. Fuel or oil may not be stored in bulk containers within 200' of any water-body or wetland.

D. SAFETY

Contractor shall adhere to all applicable state, federal and local safety regulations and all operations shall be conducted in a safe manner. Safety

meetings shall be conducted at least weekly with a written record of attendance and topic submitted to Engineer.

E. PIPE

Pipe shall be fused together in one length, if space permits. Pipe will be placed on pipe rollers before pulling into bore hole with rollers spaced close enough to prevent excessive sagging of pipe.

Contractor shall cease operations if the pipe is damaged and shall repair the pipe in a manner acceptable to the District Engineer before resuming installation. Damage to the pipe shall be repaired by the Contractor at no additional cost to the District. To confirm no damage was inflicted on the pipeline or conduit, upon completion the installation, the Contractor shall pull a mandrel through the entire length of the pipeline or conduit. If the mandrel cannot pass through the pipeline or conduit, it shall be considered collapsed and damaged.

F. PILOT HOLE

1. Pilot hole shall be drilled on bore path with no deviations greater than 5% of depth over a length of 100'. In the event that pilot does deviate from bore path more than 5% of depth in 100', Contractor will notify Engineer and Engineer may require Contractor to pull-back and re-drill from the location along bore path before the deviation.
2. In the event that a drilling fluid fracture, inadvertent returns or returns loss occurs during pilot hole drilling operations, contractor shall cease drilling, wait at least 30 minutes, inject a quantity of drilling fluid with a viscosity exceeding 120 seconds as measured by a Marsh funnel and then wait another 30 minutes. If mud fracture or returns loss continues, contractor will cease operations and notify Engineer. Engineer and contractor will discuss additional options and work will then proceed accordingly.

G. REAMING

Upon successful completion of pilot hole, contractor will ream bore hole to a minimum of 25% greater than outside diameter of pipe using the appropriate tools. Contractor will not attempt to ream at one time more than the drilling equipment and mud system are designed to safely handle.

H. PULL-BACK

1. After successfully reaming bore hole to the required diameter, contractor will pull the pipe through the bore hole. Once pull-back operations have commenced, operations must continue without interruption until pipe is

completely pulled into borehole. During pull-back operations contractor will not apply more than the maximum safe pipe pull pressure at any time. Pullback speed shall be calculated based on the capacity of the drilling mud pump and annular space. At no time shall the pullback speed be greater than the pump can handle.

2. In the event that pipe becomes stuck, contractor will cease pulling operations to allow any potential hydro-lock to subside and will commence pulling operations. If pipe remains stuck, contractor will notify Engineer. Engineer and contractor will discuss options and then work will proceed accordingly.
3. Pull detection wire along with the pipe.
4. The pipe shall be isolated from excessive torsional and axial stresses by a swivel device with a pre-established breakaway tensile capacity that is lower than the allowable tensile strength of the pipe.

I. DETECTION WIRE

Install detection wire by attaching the wire to the pipeline securely before pipeline pullback. Provide a minimum of 10 feet of additional wire at each end to allow the wire to be pulled into the locator box. Terminate detection wire in locator boxes at the entry and exit points if valve boxes are not installed at those locations. The Contractor may, at his/her option install two sets of detection wire, one as a backup in the event that a wire is damaged during installation.

Detection wire shall be tested for continuity by applying an electrical current across the wire. Detection wire shall be tested for continuity twice. The detection wire pulled in with the HDPE pipe shall be tested immediately after pullback. After backfill of the entry/exit pits and trenches for adjacent appurtenances, the detection wire shall be tested again. If the test for continuity is negative, repair or replace the wire at the District Engineer's discretion at no additional cost to the District.

3.04 OBSTRUCTIONS

The Contractor shall notify the District Engineer immediately in the event that any obstruction is encountered that prevents further advancement of the drill stem, or pullback of the pre-reamer, reamer or pipe. The Contractor and District Engineer will investigate the cause and formulate an appropriate plan on action, which may include substitution of the equipment or methods, retraction and redrilling of a portion of the bore, or abandonment of the hole. If abandonment is deemed necessary, the Contractor shall recover, to the extent practical, any drill pipe and

tools in the bore, and properly abandon the bore, unless otherwise directed in writing by the District Engineer. If the bore is abandoned, the Contractor shall pressure-grout the abandoned bore with a lean cement-sand grout mixture, or other approved material. If the bore is abandoned, the Contractor shall begin a second attempt to install the pipeline at an alternate location approved in writing by the District Engineer.

The Contractor shall take all reasonable actions to complete the installation with minimal delays. The extra costs associated with encountering the obstruction shall be negotiated between the District and Contractor, based on the labor and materials required. For purposes of this Contract, an obstruction is defined as any hard object lying completely or partially within the design pathway of the bore and pipeline that prevents further advancement of the drill bit, pre-reamer, reamer or pipe.

3.05 PIPE TESTING

Disinfection and hydrostatic testing shall be performed upon completion of the HDD process. Hydrostatic pressure leak tests of PE pressure piping systems should be conducted in accordance with ASTM International F 2164, Standard Practice for Field Leak Testing of Polyethylene (PE) Pressure Piping Systems Using Hydrostatic Pressure. Disinfecting water mains shall follow procedures outlined in AWWA C651.

3.06 SITE RESTORATION

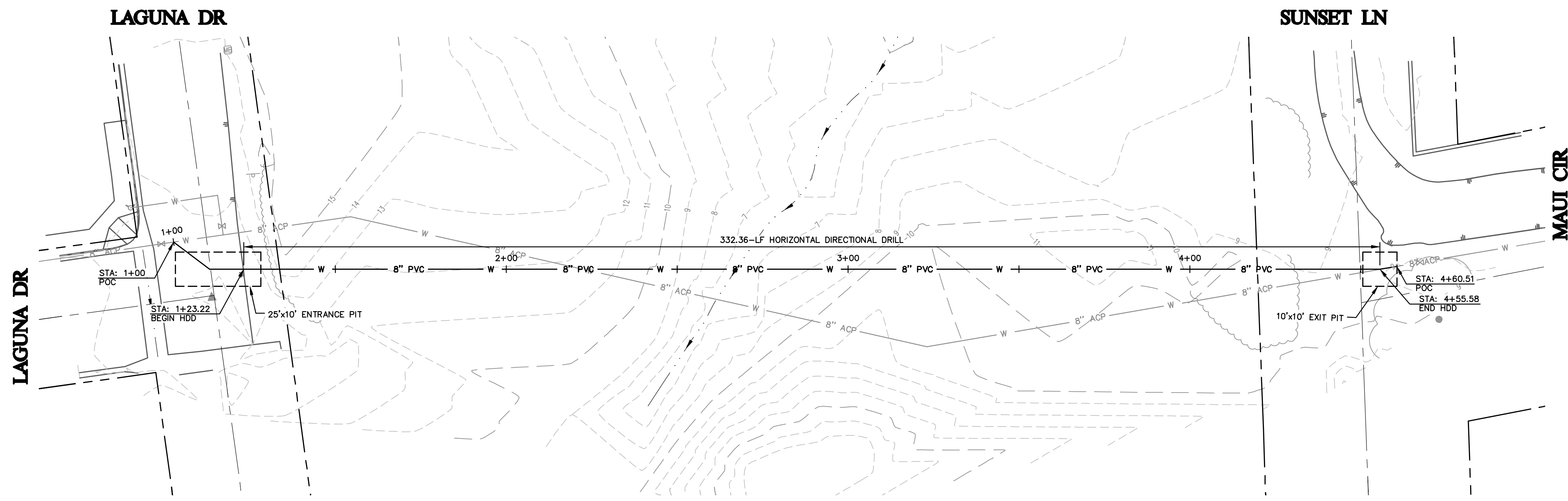
Following drilling operations, contractor will de-mobilize equipment and restore the work-site to original condition. All excavations will be backfilled and compacted to 95% of original density. Landscaping will be restored to original. All mud shall be disposed of by the CONTRACTOR.

3.07 RECORD KEEPING

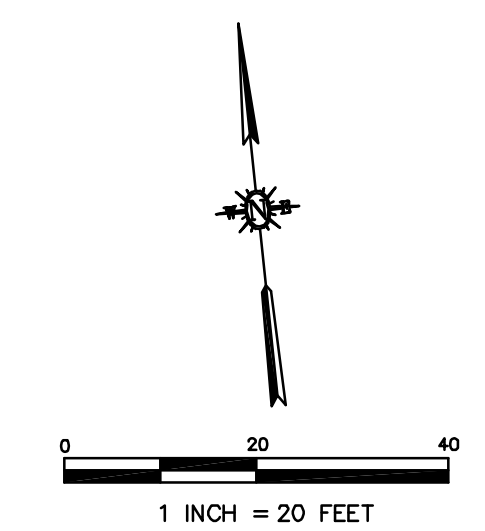
A. AS-BUILTS

Contractor shall maintain a daily project log of drilling operations and a guidance system log with a copy given to Engineer at completion of project. As-built drawings shall be certified as to accuracy by the Engineer.

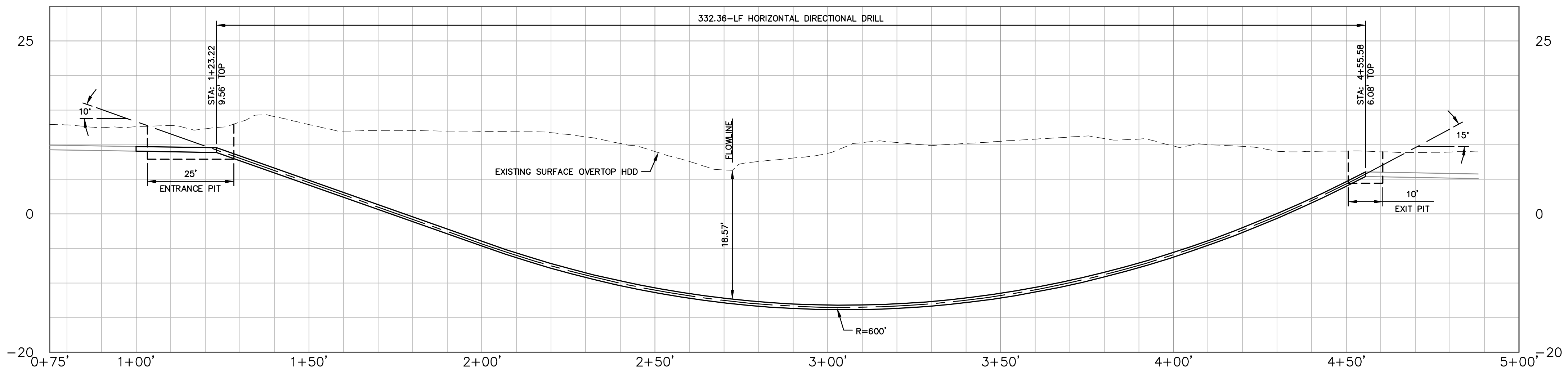
END OF SECTION



HDD ALIGNMENT - PLAN VIEW
SCALE: 1"=20'



NOTE:
1. CANNON WILL PROVIDE CONSTRUCTION STAKING FOR THE DIRECTIONAL DRILLING AT 25' INTERVALS ALONG THE WALKING PATH OR AS CLOSE AS THE VEGETATION ALLOWS. THE SURVEY STAKES/NAIIS WILL INCLUDE HORIZONTAL OFFSETS TO THE PIPE WITH CUT INFORMATION TO THE TOP OF PIPE OR FLOW LINE. A CUT SHEET AND POINT PLOT WILL BE PROVIDED SHOWING THE STAKED LOCATIONS.



HDD ALIGNMENT - PROFILE VIEW
SCALE: HORIZ. 1" = 20'; VERT. 1" = 10'

REV. NO.	DATE	REVISED	DESTROY ALL PRINTS BEARING EARLIER DATE	REV. BY	CHK. APPD. BY

DATE	5/1/2018
SCALE	AS SHOWN
CA JOB NO.	180415

THESE DRAWINGS ARE INSTRUMENTS OF SERVICE AND INFORMATION ONLY. THESE DRAWINGS ARE FOR THE USE OF THE USER ONLY. CANNON DOES NOT WARRANT THE ACCURACY OF THESE DRAWINGS WITHOUT THE EXPRESSED WRITTEN PERMISSION OF CANNON.

DRAWN BY	AJS
CHECKED BY	

OCEANO COMMUNITY SERVICES DISTRICT
LAGOON WATERLINE BREAK
HORIZONTAL DIRECTIONAL DRILL
EXHIBIT
OCEANO, CALIFORNIA

SHEET
1
OF 1

RIGHT OF ENTRY PERMIT

Agency: Department of Parks and Recreation

Project: Oceano Community Services District
Emergency Waterline Replacement Project

This Right of Entry Permit (Permit) is made and entered into this 3rd day of May, 2018, between the State of California, acting by and through its Department of Parks and Recreation, hereinafter called State, and Oceano Community Services District a community Services District within the County of San Luis Obispo, California, hereinafter called Permittee; State and Permittee may hereinafter be referred to as a Party, or collectively the Parties.

RECITALS

- **Whereas**, the State owns, operates and maintains the State Park known as Pismo State Beach, in the County of San Luis Obispo, State of California; and
- **Whereas**, Permittee has applied to State for permission to access Pismo State Beach for purposes of carrying out Permittee's Emergency Waterline Replacement Project (the Project); and
- **Whereas**, the State desires to accommodate Permittee's application for permission to enter Pismo State Beach for purposes of the Project, as provided herein and as, and to the extent, such Project may be ultimately described, permitted, approved and conditioned by Permittee's environmental document entitled California Coastal Commission Application for Emergency Permit and dated April 20, 2018. The Environmental Document including Attachment C: Project Description and HDD Draft Profile Illustration, Attachment D: Avoidance and Minimization Measures, and Attachment E for an example of a Frac-Out Contingency Plan attached hereto as Exhibit "A" and herein incorporated by reference, and as may be conditioned by any other regulatory agency having jurisdiction, if applicable.

TERMS AND CONDITIONS

Now therefore, the State by this Permit hereby grants to the Permittee permission to enter upon State's property, conditioned upon the agreement of the Parties that this Permit does not create or vest in Permittee any interest in the real property herein described or depicted, that the Permit is revocable and non-transferable, and that the Permit is further subject to the following terms and conditions:

1. **Project Description:** By this Permit, the State hereby grants to the Permittee permission to enter onto those lands depicted in Oceano Lagoon Waterline Replacement Figure 1, Meadow Creek Lagoon Area Property ownership, Waterline Map and/or described on Exhibit "B" (the Property), attached hereto and herein incorporated by this reference, solely for the purpose of the project within the limits of which are described in the Environmental Document.
2. **Permit Subject to Laws and Regulatory Agency Permits:** This Permit is expressly conditioned upon Permittee's obtaining any and all regulatory permits or approvals required by the relevant regulatory agencies for the Project and Permittee's use of the Property, and upon Permittee's compliance with all applicable municipal, state and federal laws, rules and regulations, including all State Park regulations. Permittee shall, at Permittee's sole cost and expense, comply with the Project Description, and requirements and mitigations contained in the Environmental Document.

Prior to commencement of any work, Permittee shall obtain all such legally required permits or approvals and submit to the State full and complete copies of all permits and approvals, including documentation related to or referenced in such permits and approvals, along with the corresponding agency contact and telephone numbers, and related California Environmental Quality Act (CEQA) and/or National Environmental Policy Act (NEPA) documentation as applicable.
3. **Term of Permit:** This Permit shall only be for the period beginning on May 3, 2018, and ending on, May 31, 2018 or as may be reasonably extended by written mutual agreement of the Parties.
4. **Consideration:** No fees are being considered.
5. **Permit Subject to Existing Claims:** This Permit is subject to existing contracts, permits, licenses, encumbrances and claims which may affect the Property.

6. **Waiver of Claims and Indemnity:** Permittee waives all claims against State, its officers, agents and/or employees, for loss, injury, death or damage caused by, arising out of, or in any way connected with the condition or use of the Property, the issuance, exercise, use or implementation of this Permit, and/or the rights herein granted. Permittee further agrees to protect, save, hold harmless, indemnify and defend State, its officers, agents and/or employees from any and all loss, damage, claims, demands, costs and liability which may be suffered or incurred by State, its officers, agents and/or employees from any cause whatsoever, arising out of, or in any way connected with this Permit, exercise by Permittee of the rights herein granted, Permittee's use of the Property and/or the Project for which this Permit is granted, except those arising out of the sole active negligence or willful misconduct of State. Permittee will further cause such indemnification and waiver of claims in favor of State to be inserted in each contract that Permittee executes for the provision of services in connection with the Project for which this Permit is granted.
7. **Contractors:** Permittee shall incorporate the terms, conditions and requirements contained herein when contracting out all or any portion of the work permitted hereunder. Permittee shall be responsible for ensuring contractor/subcontractor compliance with the terms and conditions contained herein. Failure of Permittee's contractors to abide by State's terms and conditions shall constitute default by Permittee (see DEFAULT paragraph below) allowing State to terminate this Permit and seek all legal remedies.
8. **Insurance Requirements:** As a condition of this Permit and in connection with Permittee's indemnification and waiver of claims contained herein, Permittee shall maintain, and cause its contractors to maintain, a policy or policies of insurance as follows:

General Provisions Applying to All Policies

- A. **Coverage Term** – Coverage needs to be in force for the complete term of the contract. If insurance expires during the term of the contract, a new certificate must be received by the State at least ten (10) days prior to the expiration of this insurance. Any new insurance must still comply with the original terms of the contract.
- B. **Policy Cancellation or Termination & Notice of Non-Renewal** – Contractor is responsible to notify the State within five business days before the effective date of any cancellation, non-renewal, or material change that affects required insurance coverage. In the event Contractor fails to keep in effect at all times the specified insurance coverage, the State may, in addition to any other remedies it may have, terminate this Contract upon the occurrence of such event, subject to the provisions of this Contract.
- C. **Deductible** – Contractor is responsible for any deductible or self-insured retention contained within their insurance program.
- D. **Primary Clause** – Any required insurance contained in this contract shall be primary, and not excess or contributory, to any other insurance carried by the State.
- E. **Insurance Carrier Required Rating** – All insurance companies must carry a rating acceptable to the Office of Risk and Insurance Management. If the Contractor is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required.
- F. **Endorsements** – Any required endorsements requested by the State must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.
- G. **Inadequate Insurance** – Inadequate or lack of insurance does not negate the contractor obligations under the contract.
- H. **Satisfying an SIR** - All insurance required by this contract must allow the State to pay and/or act as the contractor's agent in satisfying any self-insured retention (SIR). The choice to pay and/or act as the contractor's agent in satisfying any SIR is at the State's discretion.
- I. **Available Coverages/Limits** - All coverage and limits available to the contractor shall also be available and applicable to the State.
- J. **Subcontractors** - In the case of Contractor utilization of subcontractors to complete the contracted scope of work, contractor shall include all subcontractors as insured's under Contractor and insurance or supply evidence of insurance to The State equal to policies, coverages and limits required of Contractor.

COMMERCIAL GENERAL LIABILITY:

Commercial General Liability Insurance covering bodily injury and property damage in a form and with coverage that are satisfactory to the State. This insurance shall include personal and advertising injury liability, products and completed operations, and liability assumed under an insured contract. Coverage shall be written on an occurrence basis in an amount of not less than \$1,000,000 per occurrence. Annual aggregate limit shall not be less than \$2,000,000. **The State of California, its officers, agents, and employees are to be covered as additional insureds with respect to liability arising out of work or operations.**

AUTOMOBILE LIABILITY INSURANCE:

Automobile Liability Insurance covering all owned, non-owned, and hired vehicles with a combined single limit of not less than \$1,000,000 for bodily injury and property damage. **The State of California, its officers, agents, and employees are to be covered as additional insureds with respect to liability arising out of work or operations.**

WORKERS COMPENSATION AND EMPLOYERS LIABILITY:

Workers' Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease. **The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the State of California.**

9. **Reservation of Rights:** State reserves the right to use the Property in any manner, provided such use does not unreasonably interfere with Permittee's rights herein.
10. **Access Limits and Conditions:** Access to the Property shall be limited to the access designated by State .
11. **Notice of Work:** Any required notices to State shall be sent to the State authorities in charge of Pismo State Beach State Park named below. At least forty-eight (48) hours prior to any entry upon the Property for any of the purposes hereinabove set forth, Permittee shall provide the State contact[s] named below with written notice of Permittee's intent to enter the Property. Permittee shall also notify the State contact[s] listed below in writing at least forty-eight (48) hours prior to any change in the Project schedule or cessation or completion of work. Should State personnel need to contact Permittee, State shall notify Permittee's contact person listed below:

STATE:

Contact: Kevin Pearce, District Superintendent
District: Oceano Dunes District
Address: 340 James Way, Suite #270
Pismo Beach, Ca. 93449
Telephone: 805) 773-7170
Fax: 805) 773-7176

PERMITTEE'S CONTACT:

Contact: Paavo Ogren, General Manager
Address: 1655 Front Street
Oceano, Ca. 93445
Telephone: 805) 481-6730
Fax: 805) 481-6836

12. **Limits of Work:** In no event shall this Permit authorize work in excess or contrary to the terms and conditions of any regulatory agency permit or approval. Under no circumstances, whether or not authorized by any regulatory agency, other permit or any person or entity other than State, shall work exceed that which is authorized by this Permit.
13. **Public Safety:** Permittee shall erect orange plastic temporary construction fencing and appropriate signage prior to commencement of work to prevent public access to the construction zone. Permittee shall remove such fencing within two (2) days after the completion of work. Permittee shall take, and shall cause its contractors or subcontractors to take any and all necessary and reasonable steps to protect the public from harm in connection with the Project or implementation of this Permit.
14. **Compliance with Project Requirements, Monitoring and Mitigation Measures (if applicable):** Resource monitoring and mitigation measures identified by the environmental Document shall be completed in accordance with and to the satisfaction of the District Superintendent or designee.

Permittee's activities conducted under this Permit shall comply with all State and Federal environmental laws, including, but not limited to, the Endangered Species Act, CEQA, and Section 5024 of the Public Resources Code.

Any of Permittee's archaeological consultants working within the boundaries of the Property shall obtain a permit from the California State Parks Archaeology, History & Museums Division prior to commencing any archaeological or cultural investigations of the Property.

Permittee shall immediately advise State's contact person if any new site conditions are found during the course of permitted work. State will advise Permittee if any new historical resources

(including archaeological sites), special status species, threatened/endangered species protocols, or other resource issues are identified within the Project site. Permittee shall abide by District Superintendent or designee's instructions to protect the resource(s) during the permitted work or risk revocation of the Permit.

Permittee shall make all excavation activities on the Property available to the State Archaeologist for observation and monitoring. During excavation, the State archaeological monitor may observe and report to the State on all excavation activities. State archaeological monitor shall be empowered to stop any construction activities as necessary to protect significant cultural resources from being disturbed.

In the event that previously unknown cultural resources, including but not limited to, dark soil containing shell, bone, flaked stone, ground stone, or deposits of historic trash are encountered during Project construction by anyone; work will be suspended at that specific location, and the Permittee's work will be redirected to other tasks, until after a State-qualified archaeologist has evaluated the find and implemented appropriate treatment measures and disposition of artifacts, as appropriate, in compliance with all applicable laws and department resource directives.

If human remains are discovered during the Project, work will be immediately suspended at that specific location and the District Superintendent or designee shall be notified by Permittee. The specific protocol, guidelines and channels of communication outlined by the California Native American Heritage Commission (NAHC), and/or contained in Health and Safety Code Section 7050.5 and Public Resources Code Sections 5097.9 et seq., will be followed. Those statutes will guide the potential Native American involvement in the event of discovery of human remains.

Permittee shall provide a written work schedule to State so that the State archaeological monitor can arrange to be on site on the necessary days. Permittee shall provide reasonable advance notice of and invite the District Superintendent or designee to any preconstruction meetings with the prime contractor or subcontractors.

15. **Restoration of Property:** Permittee shall complete the restoration, repair, and revegetation of the Property in consultation with, and to the satisfaction of, the State Environmental Scientist within one (1) year after completion of the Project or the expiration or termination of this Permit, whichever comes first. This obligation shall survive the expiration or termination of this Permit.
16. **Performance Bond:** If required by State in order to ensure that Permittee performs and completes its obligations in accordance with the terms of the Permit, Permittee shall obtain a Performance Bond in the amount of from a surety duly licensed in the State of California. Permittee shall provide State with a copy of such insurance bond.
17. **Right to Halt Work:** The State reserves the right to halt work and demand mitigation measures at any time, with or without prior notice to Permittee, in the event the State determines that any provision contained herein has been violated, or in the event that cessation of work is necessary to prevent, avoid, mitigate or remediate any threat to the health and safety of the public or state park personnel, or to the natural or cultural resources of the state park.
18. **Use Restrictions:** The use of the Property by Permittee, including its guests, invitees, employees, contractors and agents, shall be restricted to the daytime hours between sunrise and sunset on a day-by-day basis, unless otherwise approved in advance in writing by State. No person shall use or occupy the Property overnight.

Activities on the Property shall be conducted only in a manner which will not interfere with the orderly operation of the state park. Permittee shall not engage in any disorderly conduct and shall not maintain, possess, store or allow any contraband on the Property. Contraband includes, but is not limited to: any illegal alcoholic beverages, drugs, firearms, explosives and weapons.

Roads and trails where motorized vehicles are normally prohibited may be used for vehicle access by Permittee, its employees, agents or contractors for patrol, maintenance or repair purposes only, and only to the extent specified by State, and shall be otherwise subject to all other conditions and/or restrictions of this Permit and any applicable laws, state park regulations and state park policies.

Permittee shall not use or allow the Property to be used, either in whole or in part, for any purpose other than as set forth in this Permit, without the prior written consent of the State.

19. **State's Right to Enter:** At all times during the term of this Permit and any extension thereof, there shall be and is hereby expressly reserved to State and to any of its agencies, contractors, agents, employees, representatives, invitees or licensees, the right at any and all times, and any and all

places, to temporarily enter upon said Property to survey, inspect, or perform any other lawful State purposes.

Permittee shall not interfere with State's right to enter.

20. **Protection of Property:** Permittee shall protect the Property, including all improvements and all natural and cultural features thereon, at all times at Permittee's sole cost and expense, and Permittee shall strictly adhere to the following restrictions:
- (a) Permittee shall not place or dump garbage, trash or refuse anywhere upon or within the Property, except in self-contained trash receptacles that are maintained to State's satisfaction by Permittee.
 - (b) Permittee shall not commit or create, or suffer to be committed or created, any waste, hazardous condition or nuisance in, on, under, above or adjacent to the Property.
 - (c) Permittee shall not cut, prune or remove any vegetation upon the Property, except as identified in the Project description and herein permitted or subsequently approved in writing by the District Superintendent.
 - (d) Permittee shall not disturb, move or remove any rocks or boulders upon the Property, except as identified in the Project description and herein permitted or subsequently approved in writing by the District Superintendent.
 - (e) Permittee shall not grade or regrade, or alter in any way, the ground surface of the Property, except as herein permitted, or subsequently approved in writing by the District Superintendent.
 - (f) Permittee shall not bait, poison, trap, hunt, pursue, catch, kill or engage in any other activity which results in the taking, maiming or injury of wildlife upon the Property, except as identified in the Project description and herein permitted or subsequently approved in writing by the District Superintendent.
 - (g) Permittee shall not use, create, store, possess or dispose of hazardous substances (as defined in the California Hazardous Substances Act) on the Property except as herein permitted, or subsequently approved in writing by the District Superintendent.
 - (h) Permittee shall exercise due diligence to protect the Property against damage or destruction by fire, vandalism and any other causes.
21. **Default:** In the event of a default or breach by Permittee of any of the terms or conditions set forth in this Permit, State may at any time thereafter, without limiting State in the exercise of any right of remedy at law or in equity which State may have by reason of such default or breach:
- (a) Maintain this Permit in full force and effect and recover the consideration, if any, and other monetary charges as they become due, without terminating Permittee's right to use of the Property, regardless of whether Permittee has abandoned the Property; or
 - (b) Immediately terminate this Permit upon giving written notice to Permittee, whereupon Permittee shall immediately surrender possession of the Property to State and remove all of Permittee's equipment and other personal property from the Property. In such event, State shall be entitled to recover from Permittee all damages incurred or suffered by State by reason of Permittee's default, including, but not limited to, the following:
 - (i) any amount necessary to compensate State for all the detriment proximately caused by Permittee's failure to perform its obligations under this Permit, including, but not limited to, compensation for the cost of restoration, repair and revegetation of the Property, which shall be done at State's sole discretion and compensation for the detriment which in the ordinary course of events would be likely to result from the default; plus
 - (ii) at State's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.
22. **State's Right to Cure Permittee's Default:** At any time after Permittee is in default or in material breach of this Permit, State may, but shall not be required to, cure such default or breach at Permittee's cost. If State at any time, by reason of such default or breach, pays any sum or does any act that requires the payment of any sum, the sum paid by State shall be due immediately from Permittee to State at the time the sum is paid. The sum due from Permittee to State shall bear the


maximum interest allowed by California law from the date the sum was paid by State until the date on which Permittee reimburses State.

- 23. **Revocation of Permit:** The State shall have the absolute right to revoke this Permit for any reason upon ten (10) days written notice to Permittee. Written notice to Permittee may be accomplished by electronic or facsimile transmission, and the notice period set forth in this paragraph shall begin on the date of the electronic or facsimile transmission, or, if sent by mail, on the date of delivery. If Permittee is in breach of the Permit or owes money to the State pursuant to this Permit, any prepaid monies paid by Permittee to State shall be held and applied by the State as an offset toward damages and/or amounts owed. Nothing stated herein shall limit the State's exercise of its legal and equitable remedies.
- 24. **Recovery of Legal Fees:** In any action brought to enforce or interpret any provisions of this Permit or to restrain the breach of any agreement contained herein, or for the recovery of possession of the Property, or to protect any rights given to the State against Permittee, and in any actions or proceedings under Title 11 of the United States Code, if the State shall prevail in such action on trial or appeal, the Permittee shall pay to the State such amount in attorney's fees in said action as the court shall determine to be reasonable, which shall be fixed by the court as part of the costs of said action.
- 25. **Voluntary Execution and Independence of Counsel:** By their respective signatures below, each Party hereto affirms that they have read and understood this Permit and have received independent counsel and advice from their attorneys with respect to the advisability of executing this Permit.
- 26. **Reliance on Investigations:** Permittee declares that it has made such investigation of the facts pertaining to this Permit, the Property and all the matters pertaining thereto as it deems necessary, and on that basis accepts the terms and conditions contained in this Permit. Permittee acknowledges that State has made, and makes, no representations or warranties as to the condition of the Property, and Permittee expressly agrees to accept the Property in its as-is condition for use as herein permitted.
- 27. **Entire Agreement:** The Parties further declare and represent that no inducement, promise or agreement not herein expressed has been made to them and this Permit contains the entire agreement of the Parties, and that the terms of this agreement are contractual and not a mere recital.
- 28. **Warranty of Authority:** The undersigned represents that they have the authority to, and do, bind the person or entity on whose behalf and for whom they are signing this Permit and the attendant documents provided for herein, and this Permit and said additional documents are, accordingly, binding on said person or entity.
- 29. **Assignment:** This Permit shall not be assigned, mortgaged, hypothecated, or transferred by Permittee, whether voluntarily or involuntarily or by operation of law, nor shall Permittee let, sublet or grant any license or permit with respect to the use and occupancy of the Property or any portion thereof, without the prior written consent of State.
- 30. **Choice of Law:** This Permit will be governed and construed by the laws of the State of California.

STATE OF CALIFORNIA
Department of Parks and Recreation

OCEANO COMMUNITY SERVICE DISTRICT

By: _____
Name: Kevin Pearce
Title: District Superintendent
Oceano Dunes District
340 James Way, Suite #270
Pismo Beach, Ca. 93449
805) 773-7170

By:  _____
Name: Paavo Ogren
Title: General Manager
Address: 1655 front Street
Oceano, Ca. 93445
Phone: 805) 481-6730