

**AGREEMENT FOR
PROFESSIONAL ENGINEERING SERVICES
(NON-FEDERAL FUNDING)**

This Agreement is entered into by and between the SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, a political subdivision of the State of California, herein called "DISTRICT," and ECORP Consulting, Inc., a corporation whose address is 2525 Warren Drive, Rocklin, CA 95677, herein called "ENGINEER." This Agreement shall be effective as of the date it is fully executed by the parties.

The department responsible for administering this Agreement is the San Luis Obispo County Department of Public Works ("Public Works"); and all written communications hereunder with the DISTRICT, unless otherwise specified herein, shall be addressed to the Director of Public Works ("Director").

WHEREAS, the DISTRICT has need for special services and advice with respect to the work described herein for the Lopez Water Project Habitat Conservation Plan ("Project"); and

WHEREAS, the ENGINEER warrants that it is specially trained, experienced, expert, and competent to perform such special services;

NOW, THEREFORE, the parties agree with the above recitals, and hereby further agree as follows:

ARTICLE 1. SCOPE OF WORK. The ENGINEER shall, at its own cost and expense, provide all the services, equipment, and materials necessary to complete the work described in the ENGINEER's Scope of Work (collectively, "Work") attached hereto as Exhibit A (Section 1 of the Proposal). ENGINEER warrants and represents that said Work encompasses all services, equipment, and materials necessary for the ENGINEER's preparation of the deliverables identified in the Scope of Work. All Work shall be performed to the highest professional standard.

ARTICLE 2. TIME FOR COMPLETION OF WORK. No Work shall be commenced prior to the ENGINEER's receipt of the DISTRICT's Notice to Proceed. All Work shall be completed no later than January 1, 2017, provided, however, that extensions of time may be granted in writing by the Director of Public Works, which said extensions of time, if any, shall be granted only for reasons attributable to inclement weather, acts of God, or for other cause determined in the sole discretion of the Director of Public Works to be good and sufficient cause for such extensions.

ARTICLE 3. PAYMENT FOR SERVICES.

A. COMPENSATION.

1. The DISTRICT shall pay to the ENGINEER as compensation in full for all Work required by this Agreement a sum not to exceed the total Agreement amount of two hundred ten thousand sixty-two dollars (\$210,062).

2. Progress payments will be made to ENGINEER based on compensable services provided and allowable costs incurred at the rates set forth in the ENGINEER'S Cost Proposal attached hereto as Exhibit B. All payments to ENGINEER shall be based on actual services performed and costs incurred at the rates set forth in Exhibit B.

3. The DISTRICT reserves the right to delete Work from ENGINEER's Scope of Work, but that such deletion must be in writing from the County's Public Works Director that expressly states that certain Work is being deleted. ENGINEER shall be entitled to no compensation for any Work that is deleted.

B. REPORTS. The ENGINEER shall submit to the DISTRICT, on a monthly basis, a detailed statement of all services performed and all Work accomplished under this Agreement since the ENGINEER's last monthly statement, including the number of hours of Work performed and the personnel involved. For the purpose of timely processing of invoices, the ENGINEER's invoices are not regarded as received until the monthly report is submitted. Any anticipated problems in performing any future Work shall be noted in the monthly reports. The ENGINEER shall also promptly notify the County of any perceived need for a change in the scope of Work, and an

explanation as to why the ENGINEER did not include said Work in the attached Scope of Work.

C. **INVOICES.** Billing invoices shall be based upon the ENGINEER's Cost Proposal, attached hereto as Exhibit B. Invoices shall detail the Work performed on each task and each project as applicable. Invoices shall follow a format based upon the Cost Proposal and shall reference this Agreement number and project title. The final invoice must contain the final cost and all credits due to the DISTRICT including any equipment purchased under the provisions of Article 23 Equipment Purchase of this Agreement.

D. **ENGINEER'S ASSIGNED PERSONNEL.** All Work performed under this Agreement shall be performed by the ENGINEER's personnel indentified in the organizational chart, attached hereto as Exhibit C. Any changes to the personnel designated on this organizational chart must be approved in writing by the DISTRICT's Project Manager.

ARTICLE 4. ACCOUNTING RECORDS.

A. The ENGINEER shall maintain accounting records in accordance with generally accepted accounting principles. The ENGINEER shall obtain the services of a qualified bookkeeper or accountant to ensure that accounting records meet this requirement. The ENGINEER shall maintain acceptable books of accounts which include, but are not limited to, a general ledger, cash receipts journal, cash disbursements journal, general journal, and payroll journal.

B. The ENGINEER shall record costs in a cost accounting system which clearly identifies the source of all costs. Agreement costs shall not be co-mingled with other project costs, but shall be directly traceable to contract billings to the DISTRICT. The use of worksheets to produce billings shall be kept to a minimum. If worksheets are used to produce billings, all entries should be documented and clearly traceable to the ENGINEER's cost accounting records.

C. All accounting records and supporting documentation shall be retained for a minimum of five (5) years or until any audit findings are resolved, whichever is later. The ENGINEER shall safeguard the accounting records and supporting documentation.

D. The ENGINEER shall make accounting records and supporting documentation available on demand to the DISTRICT and its designated auditor for inspection and audit. Disallowed costs shall be repaid to the DISTRICT. The DISTRICT may require having the ENGINEER's accounting records audited, at the ENGINEER's expense, by an accountant licensed by the State of California. The audit shall be presented to the County Auditor-Controller within thirty (30) calendar days after completion of the audit.

ARTICLE 5. (INTENTIONALLY OMITTED)

ARTICLE 6. NON-ASSIGNMENT OF AGREEMENT. Inasmuch as this Agreement is intended to secure the specialized services of the ENGINEER, the ENGINEER may not assign, transfer, delegate, or sublet any interest herein without the prior written consent of the DISTRICT and any such assignment, transfer, delegation, or sublease without the DISTRICT's prior written consent shall be considered null and void.

ARTICLE 7. INSURANCE. The ENGINEER, at its sole cost and expense, shall purchase and maintain the insurance policies set forth below on all of its operations under this Agreement. Such policies shall be maintained for the full term of this Agreement and the related warranty period (if applicable) and shall provide products/completed operations coverage for four (4) years following completion of the ENGINEER's Work under this Agreement and acceptance by the DISTRICT. Any failure to comply with reporting provisions(s) of the policies referred to above shall not affect coverage provided to the DISTRICT, its officers, employees, volunteers, and agents. For purposes of the insurance policies required hereunder, the term "DISTRICT" shall include officers, employees, volunteers, and agents of the San Luis Obispo County Flood Control and Water Conservation District, individually or collectively.

A. **MINIMUM SCOPE AND LIMITS OF REQUIRED INSURANCE POLICIES.** The following policies shall be maintained with insurers authorized to do business in the State of California and shall be issued under forms of policies satisfactory to the DISTRICT:

1. **COMMERCIAL GENERAL LIABILITY (“CGL”)**. Policy shall include coverage at least as broad as set forth in Insurance Services Office (herein “ISO”) Commercial General Liability coverage (Occurrence Form CG0001) with policy limits not less than the following:

- \$1,000,000 each occurrence;
- \$1,000,000 for personal injury liability;
- \$1,000,000 aggregate for products-completed operations; and
- \$1,000,000 general aggregate.

The general aggregate limits shall apply separately to the ENGINEER’s Work under this Agreement.

2. **BUSINESS AUTOMOBILE POLICY (“BAP”)**. Policy shall include coverage at least as broad as set forth in Insurance Services Office Business Automobile Liability Coverage, Code 1 “Any Auto” (Form CA 0001). This policy shall include a minimum (combined single limit) of not less than one-million dollars (\$1,000,000) for each occurrence, for bodily injury and/or property damage. Such policy shall be applicable to vehicles used in pursuit of any of the activities associated with this Agreement. The ENGINEER shall not provide a Comprehensive Automobile Liability policy which specifically lists scheduled vehicles without the express written consent of DISTRICT.

3. **WORKERS’ COMPENSATION AND EMPLOYERS’ LIABILITY (“WC / EL”)**. This policy shall include at least the following coverages and policy limits:

- a. Workers’ Compensation insurance as required by the laws of the State of California; and
- b. Employer’s Liability Insurance Coverage B with coverage amount not less than one-million dollars (\$1,000,000) each accident / Bodily Injury (herein “BI”); one-million dollars (\$1,000,000) policy limit BI by disease; and, one-million dollars (\$1,000,000) each employee BI by disease.

4. **PROFESSIONAL LIABILITY (“PL”)**. This policy shall cover damages, liabilities, and costs incurred as a result of the ENGINEER’s professional errors and omissions or malpractice. This policy shall include a coverage limit of at least one-million dollars (\$1,000,000) per claim, including the annual aggregate for all claims (such coverage shall apply during the performance of the services under

this Agreement and for three (3) years thereafter with respect to incidents which occur during the performance of this Agreement). The ENGINEER shall notify the DISTRICT if any annual aggregate is eroded by more than seventy-five percent (75%) in any given year.

B. **DEDUCTIBLES AND SELF-INSURANCE RETENTIONS.** Any deductibles and/or self-insured retentions which apply to any of the insurance policies referred to above shall be declared in writing by the ENGINEER and approved by the DISTRICT before Work is begun pursuant to this Agreement. At the option of the DISTRICT, the ENGINEER shall either reduce or eliminate such deductibles or self-insured retentions as respect the DISTRICT, its officers, employees, volunteers, and agents, or shall provide a financial guarantee satisfactory to the DISTRICT guaranteeing payment of losses and related investigations, claim administration, and/or defense expenses.

C. **ENDORSEMENTS.** All of the following clauses and endorsements, or similar provisions, are required to be made a part of insurance policies indicated in parentheses below:

1. A "Cross Liability", "Severability of Interest" or "Separation of Insureds" clause (CGL & BAP);
2. The San Luis Obispo County Flood Control and Water Conservation District, its officers, employees, volunteers, and agents are hereby added as additional insureds with respect to all liabilities arising out of the ENGINEER's performance of Work under this Agreement (CGL & BAP);
3. This policy shall be considered primary insurance with respect to any other valid and collectible insurance DISTRICT may possess, including any self-insured retention DISTRICT may have, and any other insurance DISTRICT does possess shall be considered excess insurance only and shall not be called upon to contribute to this insurance (CGL, BAP, & PL);
4. No cancellation or non-renewal of this policy, or reduction of coverage afforded under the policy, shall be effective until written notice has been given at least thirty (30) calendar days prior to the effective date of such reduction or cancellation to DISTRICT at the address set forth below (All Policies);

5. The ENGINEER and its insurers shall agree to waive all rights of subrogation against the DISTRICT, its officers, employees, volunteers, and agents for any loss arising under this Agreement (WC); and

6. Deductibles and self-insured retentions must be declared (All Policies).

D. **ABSENCE OF INSURANCE COVERAGE.** The DISTRICT may direct the ENGINEER to immediately cease all activities with respect to this Agreement if it determines that the ENGINEER fails to carry, in full force and effect, all insurance policies with coverages at or above the limits specified in this Agreement. Any delays or expense caused due to stopping of Work and change of insurance shall be considered the ENGINEER's delay and expense. At the DISTRICT's discretion, under conditions of lapse, the DISTRICT may purchase appropriate insurance and charge all costs related to such policy to the ENGINEER.

E. **PROOF OF INSURANCE COVERAGE AND COVERAGE VERIFICATION.**

Prior to commencement of Work under this Agreement, and annually thereafter for the term of this Agreement, the ENGINEER, or each of the ENGINEER's insurance brokers or companies, shall provide the DISTRICT a current copy of a Certificate of Insurance, on an Accord or similar form, which includes complete policy coverage verification, as evidence of the stipulated coverages. All of the insurance companies providing insurance for the ENGINEER shall have, and provide evidence of, a Best Rating Service rate of A VI or above. The Certificate of Insurance and coverage verification and all other notices related to cancellation or non-renewal shall be mailed to:

Kate Ballantyne, Public Works Department
Room 206, County Government Center
San Luis Obispo CA 93408

ARTICLE 8. **INDEMNIFICATION.**

A. The ENGINEER shall defend, indemnify and hold harmless the DISTRICT, its officers, agents, and employees from all claims, demands, damages, costs, expenses, judgments, attorney fees, liabilities, or other losses (hereafter, collectively "claims") that may be asserted by any person or entity, and that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the ENGINEER.

The parties agree that, in addition to the ENGINEER's general and professional duties of care, the ENGINEER has a duty of care to act in accordance with the terms of this Agreement. In addition to whatever other acts or omissions of ENGINEER that constitute negligence, recklessness, or willful misconduct under applicable law, the parties acknowledge that any act or omission of the ENGINEER that causes any damages or monetary losses, and constitutes a breach of any duty under, or pursuant to, this Agreement, shall at a minimum constitute negligence (and may constitute recklessness or willful conduct if so warranted by the facts).

B. The preceding paragraph applies to any and all such claims, regardless of the nature of the claim or theory of recovery. For purposes of the paragraphs found in this Article of the Agreement, "ENGINEER" shall include the ENGINEER, and/or its agents, employees, subcontractors, or other independent contractors hired by, or working under, the ENGINEER.

C. It is the intent of the parties to provide the DISTRICT the fullest indemnification, defense, and "hold harmless" rights allowed under the law. No provisions of this Agreement shall be construed in a manner that would constitute a waiver or modification of Civil Code Section 2782.8. If any word(s) contained herein are deemed by a court to be in contravention of applicable law, said word(s) shall be severed from this contract and the remaining language shall be given full force and effect. Nothing contained in this Agreement shall be construed to require the ENGINEER to indemnify the DISTRICT against any responsibility or liability in contravention of Civil Code Section 2782.8.

ARTICLE 9. ENGINEER'S RESPONSIBILITY FOR ITS WORK.

A. The ENGINEER has been hired by the DISTRICT because of the ENGINEER's specialized expertise in performing the Work described in the attached Scope of Work, Exhibit A. The ENGINEER shall be solely responsible for such Work. The DISTRICT's review, approval, and/or adoption of any designs, plans, specifications, or any other Work shall be in reliance on the ENGINEER's specialized expertise and shall not relieve the ENGINEER of its sole responsibility for the Work. The DISTRICT is under no duty or obligation to review or verify the appropriateness, quality, or accuracy of any designs, plans, specifications, or any other Work,

including but not limited to, any methods, procedures, tests, calculations, drawings, or other information used or created by the ENGINEER in performing any Work under this Agreement.

B. All information which the ENGINEER receives from the DISTRICT should be independently verified by the ENGINEER. The ENGINEER should not rely upon such information unless it has independently verified its accuracy. The only exception to the foregoing arises when the DISTRICT has expressly stated in writing that certain information may be relied upon by the ENGINEER without the ENGINEER's independent verification. In such event, the ENGINEER is still obliged to promptly notify the DISTRICT whenever the ENGINEER becomes aware of any information that is inconsistent with any information which the DISTRICT has stated may be relied upon by the ENGINEER.

C. Pursuant to the provisions of this Article, the ENGINEER is responsible for all Work under this Agreement, including the Work performed by any subcontractors or any other independent contractors which ENGINEER hires or contracts with regarding the Work.

D. The ENGINEER accepts the relationship of trust and confidence established with DISTRICT by this Agreement, and covenants with the DISTRICT to furnish the ENGINEER's reasonable skill and judgment in furthering the interests of the DISTRICT. The ENGINEER shall use its best efforts to perform in an expeditious and economical manner consistent with the interests of the DISTRICT.

E. If ENGINEER ever has reason to believe that any of its general or professional duties of care conflict with any requirements of this Agreement, the ENGINEER shall promptly so notify the DISTRICT in writing.

ARTICLE 10. INSURANCE AND INDEMNIFICATION AS MATERIAL PROVISIONS.

The parties expressly agree that the indemnification and insurance clauses in this Agreement are an integral part of the performance exchanged in this Agreement. The compensation stated in this Agreement includes compensation for the risks transferred to the ENGINEER by the indemnification and insurance clauses.

ARTICLE 11. ENGINEER'S ENDORSEMENT ON REPORTS, ETC. The ENGINEER shall endorse all reports, maps, plans, documents, materials, and other data in accordance with applicable provisions of the laws of the State of California.

ARTICLE 12. DOCUMENTS, INFORMATION AND MATERIALS OWNERSHIP. All documents, information, and materials of any and every type prepared by the ENGINEER (or any subcontractor) pursuant to this Agreement shall be the property of the DISTRICT. Such documents shall include but not be limited to data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated by the ENGINEER (or any subcontractor) in performing Work under this Agreement, whether completed or in process. The ENGINEER shall assume no responsibility for the unintended use by others of any such documents, information, or materials on project(s) which are not related to the scope of services described under this Agreement.

ARTICLE 13. TERMINATION OF AGREEMENT WITHOUT CAUSE. The DISTRICT may terminate this Agreement at any time by giving the ENGINEER thirty (30) calendar days written notice of such termination. Termination shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination. Other than payments for services satisfactorily rendered prior to the effective date of said termination, the ENGINEER shall be entitled to no further compensation or payment of any type from the DISTRICT.

ARTICLE 14. TERMINATION OF AGREEMENT FOR CAUSE. If the ENGINEER fails to perform the ENGINEER's duties to the satisfaction of the DISTRICT; or if the ENGINEER fails to fulfill in a timely and professional manner the ENGINEER's obligations under this Agreement; or if the ENGINEER violates any of the terms or provisions of this Agreement; or if the ENGINEER, or the ENGINEER's agents or employees fails to exercise good behavior either during or outside of working hours that is of such a nature as to bring discredit upon the DISTRICT, then the DISTRICT shall have the right to terminate this Agreement effective immediately upon the DISTRICT giving written notice thereof to the ENGINEER. Termination shall have no effect upon

the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination. The ENGINEER shall be paid for all Work satisfactorily completed prior to the effective date of such termination. If the DISTRICT's termination of the Agreement for cause is defective for any reason, including but not limited to the DISTRICT's reliance on erroneous facts concerning the ENGINEER's performance, or any defect in notice thereof, this Agreement shall automatically terminate without cause thirty (30) calendar days following the DISTRICT's written notice of termination for cause to the ENGINEER, and the DISTRICT's maximum liability shall not exceed the amount payable to the ENGINEER under Article 13 above.

ARTICLE 15. COMPLIANCE WITH LAWS. The ENGINEER shall comply with all Federal, State, and local laws and ordinances that are applicable to the performance of the Work of this Agreement. This includes compliance with prevailing wage rates and their payment in accordance with the California Labor Code. The ENGINEER acknowledges that labor performed on site to support any Work required under this Agreement is a public work within the meaning of Labor Code Section 1720. The ENGINEER will comply, or cause its subconsultant(s) to comply, with the provisions of Labor Code Section 1774.

ARTICLE 16. COVENANT AGAINST CONTINGENT FEES. The ENGINEER warrants that it has not employed or retained any company or person, other than a bona fide employee working for the ENGINEER, to solicit or secure this Agreement, and that it has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percent, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making this Agreement. For breach or violation of this warranty, the DISTRICT shall have the right to annul this Agreement without liability or, in its discretion to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

ARTICLE 17. DISPUTES & CLAIMS.

A. **EXCLUSIVE REMEDY.** Any demand or assertion by ENGINEER seeking any additional compensation and/or time extension, or other relief, for any reason whatsoever (hereafter collectively "Claim"), must be in strict compliance with the requirements of this Article 17. For purposes of this Article 17, any and all Work relating to any such demand or assertion shall be referred to as "Disputed Work", regardless of whether the basis of the demand or assertion arises from an interpretation of the Agreement, an action or inaction of ENGINEER or DISTRICT, or any other event, issue, or circumstance. If the Disputed Work relates to any Work performed by any subcontractors or subconsultants hired by ENGINEER in compliance with the provisions of this Agreement, any such Claims must also be processed by ENGINEER in accordance with the provisions of this Article 17.

The administration of a Claim as provided in this Article 17, including ENGINEER's performance of its duties and obligations specified in this Article 17 is ENGINEER's sole and exclusive remedy for disputes of all types pertaining to the payment of money, extension of time, the adjustment or interpretation of the Agreement or other contractual or tort relief arising from this Agreement. Compliance with the procedures described in this Article 17 is a condition precedent to the right to file a Government Code Claim, commence litigation, or commence any other legal action. ENGINEER waives the right to pursue or submit any Claims not processed in accordance with Article 17.

B. **MANDATORY PROCEDURE AND CONDITION PRECEDENT.** The requirements set forth in this Article 17 are mandatory, and ENGINEER shall strictly comply with these requirements. Strict compliance with these requirements is a condition precedent to ENGINEER's ability to exercise any rights or remedies that may otherwise be available to ENGINEER under the Agreement or any applicable Laws or Regulations relating to the Claim. No action or inaction by ENGINEER and/or DISTRICT to try to resolve any Claim(s) through agreement, amendment, mediation, settlement, or any other means shall excuse ENGINEER from strictly complying with the requirements of this Article 17. ENGINEER shall bear all costs incurred in complying with the provisions of this Article 17.

C. **NOTICE OF POTENTIAL CLAIM.** The ENGINEER shall not be entitled to any additional compensation and/or time under this Agreement for any act, or failure to act, by the DISTRICT, or for the happening of any event, thing, occurrence, or other cause, unless the ENGINEER has provided the DISTRICT's Public Works Director with timely written Notice of Potential Claim as hereinafter specified. The written Notice of Potential Claim shall set forth the reasons for which the ENGINEER believes additional compensation and/or time will or may be due, the nature of the cost involved, and, insofar as possible, the full amount of additional compensation and/or time extension sought in relation to the potential claim. The said notice as above required must have been given to the DISTRICT prior to the time that the ENGINEER shall have performed any Disputed Work. It is the intention of this paragraph that differences between the parties relating to this Agreement be brought to the attention of the DISTRICT at the earliest possible time in order that such matters may be settled, if possible, or other appropriate action promptly taken. The ENGINEER hereby agrees that it shall have no right to additional compensation and/or time regarding any Claim for which no written Notice of Potential Claim as herein required was filed with the DISTRICT Director of Public Works.

D. **NOTICE OF FINAL CLAIM.** As soon as reasonably practical upon completion of the Disputed Work, and no later than thirty (30) days after completion of the Disputed Work, ENGINEER shall provide to DISTRICT a Notice of Final Claim containing a full and final documentation of the Claim that provides the following information:

1. A detailed factual narration of events fully describing the nature and circumstances that caused the dispute, including, but not limited to, necessary dates, locations, and items of Work affected by the dispute.
2. The specific provisions of the Agreement that support the Claim and a statement of the reasons these provisions support and provide a basis for entitlement of the Claim.
3. When additional monetary compensation is requested, the exact amount requested, including an itemized breakdown of individual costs. These costs shall be segregated into the following cost categories:

- a. Labor – A listing of individuals, classifications, hours and dates worked, hourly labor rates, and other pertinent information related to the requested reimbursement of labor costs.
- b. Materials/ Equipment – Invoices, purchase orders, location of materials/ equipment used to perform the Disputed Work, dates they were used, and other pertinent information related to the requested reimbursement of material/ equipment costs. (Any applicable equipment rates shall be at the applicable State rental rate as listed in the Department of Transportation publication entitled "Labor Surcharge and Equipment Rental Rates," in effect when the Disputed Work was performed.)
- c. Other categories as specified by DISTRICT.

E. **ENGINEER'S CONTINUING OBLIGATIONS.** Neither the filing of a Notice of Potential Claim or of a Notice of Final Claim, nor the pendency of a dispute or claim, nor its consideration by the DISTRICT, shall excuse the ENGINEER from full and timely performance in accordance with the terms of this Agreement. ENGINEER shall promptly respond to any requests for further information or documentation regarding ENGINEER's potential or final Claim. If ENGINEER fails to provide an adequate written response to DISTRICT within fifteen (15) days of DISTRICT's written request for such further documentation or information, ENGINEER shall be deemed to have waived its Claim. If the further documentation or information requested by DISTRICT, in the opinion of the DISTRICT, reasonably takes the ENGINEER more than fifteen (15) days to comply with, the written request shall provide the ENGINEER a specific response deadline that is commensurate to a reasonable response time.

F. **RESPONSE TO NOTICE OF FINAL CLAIM.** The DISTRICT shall respond in writing to the Notice of Final Claim within sixty (60) days of receipt thereof, or may request, in writing, within forty five (45) days of said receipt, any additional information or documentation relating to the Claim or any defenses to the Claim the DISTRICT may have against the ENGINEER. ENGINEER shall comply with the request within the reasonable time deadline provided by DISTRICT in the request. If any additional information is thereafter requested by DISTRICT, it shall likewise be provided by ENGINEER within the reasonable time deadline provided by DISTRICT in such follow-up request. The written response to the Notice of Final Claim shall be

submitted to the ENGINEER within thirty (30) days after receipt of such further information and documentation, or within a period of time no greater than that taken by the ENGINEER in producing the additional information or documentation, whichever is greater. ENGINEER may request an informal conference to meet and confer for settlement of the issues in dispute, but ENGINEER shall have no right to demand such a conference. Neither the requesting of any such conference by ENGINEER or DISTRICT, nor the holding of such conference shall affect the date of the final decision on the Claim. No written communications of DISTRICT sent to ENGINEER after any such conference will change the date of the final decision on the Claim unless the writing expressly states that the date of the final decision is being changed to a new specific date.

A Claim may be granted in whole or in part only by a written response that contains the signature of the DISTRICT's Public Works Director or his authorized representative. In the event a valid written decision is not provided to ENGINEER within the time prescribed in this Article 17, the Claim shall be deemed denied on the last day a written response was due. The date upon which the Claim is approved or denied pursuant to the provisions of this Article 17, shall constitute the date of the final decision on the Claim under the provisions of this Article 17. The date of the final decision on a Claim can only be changed by a subsequent writing signed by DISTRICT that expressly states that the date of the final decision on the Claim has been changed to a new specific date.

G. GOVERNMENT CODE CLAIM REQUIREMENTS. For all Claims not resolved as a result of these Article 17 procedures, ENGINEER must submit each Claim in a Government Code Section 910 form of claim for final investigation and consideration of its settlement prior to initiation of any litigation on any such Claim, as required by Government Code Section 945.4. Pursuant to Government Code Section 930.2, the one-year period in Government Code Section 911.2 is hereby reduced to 150 days. This time deadline is measured from the accrual date of each separate cause of action. The time deadline for filing a Government Code claim shall not be tolled by any action or inaction by ENGINEER or DISTRICT, including but not limited to any action or inaction to try to resolve the Claim through negotiation, mediation, settlement, agreement (including Change Order), or by any other means, other than

by a separate written tolling agreement expressly approved as to form (on the face of the agreement) by the County Counsel's Office.

ARTICLE 18. ENGINEER IS AN INDEPENDENT CONTRACTOR. It is expressly understood that in the performance of the services herein provided, the ENGINEER shall be, and is, an independent contractor, and is not an agent or employee of the DISTRICT. The ENGINEER has and shall retain the right to exercise full control over the employment, direction, compensation, and discharge of all persons assisting the ENGINEER in the performance of the services rendered hereunder. The ENGINEER shall be solely responsible for all matters relating to the payment of its employees, including compliance with Social Security, withholding, and all other regulations governing such matters.

ARTICLE 19. ENTIRE AGREEMENT AND MODIFICATION. This Agreement supersedes all previous agreements and constitutes the entire understanding of the parties hereto. The ENGINEER shall be entitled to no other compensation and/or benefits than those specified herein. No changes, amendments, or alterations shall be effective unless in writing and signed by both parties. Any changes increasing the ENGINEER's compensation and/or benefits must be approved by the DISTRICT's Board of Supervisors; any other changes may be signed by the DISTRICT Director of Public Works on behalf of the DISTRICT. The ENGINEER specifically acknowledges that in entering into and executing this Agreement, the ENGINEER relies solely upon the provisions contained in this Agreement and no others. To the extent there is any inconsistency between the text in the body of this Agreement and anything in any of the Exhibits attached hereto, the text in the body of this Agreement shall prevail.

ARTICLE 20. ENFORCEABILITY. If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

ARTICLE 21. WARRANTY OF ENGINEER. The ENGINEER warrants that the ENGINEER and each of the personnel employed or otherwise retained by the ENGINEER for Work under this Agreement are properly certified and licensed under the laws and regulations of the State of California to provide the special services herein agreed to.

ARTICLE 22. SUBCONTRACTORS.

A. Other than Work designated in Exhibits A and B to be performed by other persons or entities, the ENGINEER shall perform the Work contemplated with resources available within its own organization and no portion of the Work shall be subcontracted without written authorization by the DISTRICT. In the event the DISTRICT provides written authorization for Work to be performed by a subcontractor, the use of the words “subcontractor” and “subcontract” in this Article shall refer to such authorized subcontracting to a subcontractor of the first tier or any other tier. The terms “subcontract” and “subcontractor” include any and all contracts or arrangements by which ENGINEER hires or enters into a contract with any subconsultants regarding any Work.

B. Nothing contained in this Agreement or otherwise, shall create any contractual relation between the DISTRICT and any subcontractors, and no subcontract shall relieve the ENGINEER of its responsibilities and obligations hereunder. The ENGINEER agrees to be as fully responsible to the DISTRICT for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the ENGINEER. The ENGINEER's obligation to pay its subcontractors is an independent obligation from the DISTRICT's obligation to make payments to the ENGINEER.

C. Any subcontract entered into by the ENGINEER relating to this Agreement, shall bind the subcontractor to all of the provisions of this Article by incorporating the provisions of this Article in any such subcontract, and substituting the name of the subcontractor in place of the word “ENGINEER” where it appears in this Article.

D. Any substitution of subcontractors must be approved in writing by the DISTRICT's Project Manager in advance of assigning Work to a substitute subcontractor.

ARTICLE 23. EQUIPMENT PURCHASE.

A. Prior authorization in writing, by the DISTRICT's Project Manager, shall be required before the ENGINEER enters into any unbudgeted purchase order or subcontract exceeding \$5,000 for equipment. The ENGINEER shall provide an evaluation of the necessity or desirability of incurring such costs and three competitive quotations must be submitted with the request, or the absence of bidding must be adequately justified.

B. Any equipment purchased as a result of this Agreement is subject to the following: "The ENGINEER shall maintain an inventory of all nonexpendable property. Nonexpendable property is defined as having a useful life of at least two years and an acquisition cost of \$5,000 or more. If the purchased equipment needs replacement and is sold or traded in, the DISTRICT shall receive a proper refund or credit at the conclusion of the Agreement, or if the Agreement is terminated, the ENGINEER may either keep the equipment and credit the DISTRICT in an amount equal to its fair market value, or sell such equipment at the best price obtainable at a public or private sale, in accordance with established DISTRICT procedures; and credit the DISTRICT in an amount equal to the sales price. If the ENGINEER elects to keep the equipment, fair market value shall be determined at the ENGINEER's expense, on the basis of a competent independent appraisal of such equipment. Appraisals shall be obtained from an appraiser mutually agreeable to the DISTRICT and the ENGINEER, if it is determined to sell the equipment, the terms and conditions of such sale must be approved in advance by the DISTRICT."

ARTICLE 24. APPLICABLE LAW AND VENUE. This Agreement has been executed and delivered in the State of California and the validity, enforceability, and interpretation of any of the clauses of this Agreement shall be determined and governed by the laws of the State of California. All duties and obligations of the parties created hereunder are performable in San Luis Obispo County and such County shall be the venue for any

action or proceeding that may be brought or arise out of, in connection with or by reason of this Agreement.

ARTICLE 25. NOTICES. Any notice required to be given pursuant to the terms and provisions hereof shall be in writing and shall be sent by first class mail to the DISTRICT at:

Director of Public Works
San Luis Obispo County
Department of Public Works
County Government Center, Room 206
San Luis Obispo, CA 93408

And to the ENGINEER:

ECORP Consulting, Inc.
2525 Warren Drive
Rocklin, CA 95677

ARTICLE 26. COST DISCLOSURE - DOCUMENTS AND WRITTEN REPORTS.

Pursuant to Government Code Section 7550, if the total cost of this Agreement is over five thousand dollars (\$5,000), the ENGINEER shall include in all final documents and in all written reports submitted a written summary of costs, which shall set forth the numbers and dollar amounts of all contracts and subcontracts relating to the preparation of such documentation or written report. The Agreement and subagreement numbers and dollar amounts shall be contained in a separate section of such document or written report.

ARTICLE 27. CONFIDENTIALITY OF DATA.

A. All financial, statistical, personal, technical, or other data and information relative to the DISTRICT's operations, which are designated confidential by the DISTRICT and made available to the ENGINEER in order to carry out this Agreement, shall be protected by the ENGINEER from unauthorized use and disclosure, and shall not be made available to any individual or organization by the ENGINEER without the prior written approval of the DISTRICT.

B. Permission to disclose information on one occasion, or public hearing held by the DISTRICT relating to this Agreement, shall not authorize the ENGINEER to further disclose such information, or disseminate the same on any other occasion.

C. All information related to the construction estimate is confidential, and shall not be disclosed by the ENGINEER to any entity other than the DISTRICT.

ARTICLE 28. RESTRICTIVE COVENANT. The ENGINEER agrees that it will not, during the continuance of this Agreement, perform or otherwise exercise the services described in Exhibit A for anyone except for the DISTRICT, unless and until the DISTRICT waives this restriction.

ARTICLE 29. QUALITY CONTROL AND QUALITY ASSURANCE. The ENGINEER shall provide a description of its Quality Control procedure. The process shall be implemented for all facets of Work and a QC-QA statement and signature shall be placed on all submittals to the DISTRICT.

ARTICLE 30. CLAIMS FILED BY THIRD PARTIES.

A. If claims are filed against the DISTRICT by any third party that relates in any way to any subject, plans, designs, or other Work within the ENGINEER's Scope of Work under this Agreement, and additional information or assistance from the ENGINEER's personnel is requested by the DISTRICT in order to evaluate or defend against such claims, the ENGINEER agrees to cooperate with and provide timely response to any reasonable requests for information submitted to the ENGINEER by the DISTRICT relating to such claims. To the extent the information requested by the DISTRICT only seeks documents or other factual information relating to Work performed by the ENGINEER, the ENGINEER will only be compensated for any clerical costs associated with providing the DISTRICT the requested documents or factual information.

B. The ENGINEER's personnel that the DISTRICT considers essential to assist in defending against such claims will be made available for consultation with the DISTRICT upon reasonable notice from the DISTRICT. In the event the expert opinions of the ENGINEER's personnel are sought by the DISTRICT through such consultation or through testimony, and only in such event, such consultation or testimony will be

reimbursed at the same rates, including travel costs that are being paid for the ENGINEER's personnel services under this Agreement. In the event the testimonies of any of the ENGINEER's personnel are sought by another party, the ENGINEER reserves the right to charge other party a different rate for deposition or trial testimony.

C. Services of the ENGINEER's personnel in connection with the third party claims will be performed pursuant to a written contract amendment, if necessary, extending the termination date of this Agreement in order to finally resolve the claims.

D. Any subcontract entered into by the ENGINEER relating to this Agreement, shall bind the subcontractor to all of the provisions of this Article by incorporating the provisions of this Article in any such subcontract, and substituting the name of the subcontractor in place of the word "ENGINEER" where it appears in this Article.

ARTICLE 31. CONFLICT OF INTEREST.

A. The ENGINEER shall disclose any financial, business, or other relationship with the DISTRICT that may be affected by the outcome of this Agreement, or any ensuing DISTRICT construction project. The ENGINEER shall also list current clients who may have a financial interest in the outcome of this Agreement, or any ensuing DISTRICT construction project, which will follow.

B. The ENGINEER hereby certifies that it does not now have, nor shall it acquire any financial or business interest that would conflict with the performance of services under this Agreement.

C. Any subcontract entered into by the ENGINEER relating to this Agreement, shall bind the subcontractor to all of the provisions of this Article by incorporating the provisions of this Article in any such subcontract, and substituting the name of the subcontractor in place of the word "ENGINEER" where it appears in this Article.

D. The ENGINEER hereby certifies that neither the ENGINEER, nor any firm affiliated with the ENGINEER will bid on any construction contract, or on any contract to provide construction inspection for any construction project resulting from this Agreement. An affiliated firm is one, which is subject to the control of one or more of the same persons through joint-ownership, or otherwise.

E. Except for subcontractors whose services are limited to providing surveying or materials testing information, no subcontractor who has provided design services in

connection with this Agreement shall be eligible to bid on any construction contract, or on any contract to provide construction inspection for any construction project resulting from this Agreement.

IN WITNESS THEREOF, the parties hereto have executed this Agreement, and this Agreement shall become effective on the date shown signed by the DISTRICT.

SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

By: _____ Date: _____
Chairperson of the Board
San Luis Obispo County Flood Control and
Water Conservation District
State of California

ATTEST:

By: _____ Date: _____
County Clerk and Ex-Officio Clerk of the
Board of Supervisors, County of San Luis Obispo,
State of California

ENGINEER

By:  Date: 12/3/14
Name: DAVE KROUCK
Title: ROUQUIN OFFICE OPERATIONS MGR

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL
County Counsel

By:  Date: 11-18-2014
Deputy County Counsel

EXHIBIT "A"
SCOPE OF WORK

**Proposal for
Lopez Water Project Habitat Conservation Plan
Hydrogeologic Services (PS-#1248)**

Cost Proposal and Project Assumptions

23 September 2014

Prepared for:



San Luis Obispo County
General Services Agency
1087 Santa Rosa Street
San Luis Obispo, California 93408

Prepared by:



ECORP Consulting, Inc.
ENVIRONMENTAL CONSULTANTS

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INTRODUCTION

In response to your request, ECORP Consulting is pleased to provide this detailed scope of work, cost estimate and proposed schedule. Within this submittal are two sections. Section 1 provides discussion of the following tasks:

- Task 1: Review existing model data and verify, update, and develop OASIS simulation model
- Task 2: Water Availability Analysis
- Task 3: Downstream Release Program Alternatives
- Task 4: Project Oversight, Coordination, and Strategic Planning

The fourth task is not something the District specifically requested, but is important to the success of this effort. Section 2 provides a discussion of optional tasks that may be needed to complete the project.

Enclosed are a detailed cost estimate and proposed schedule for the required tasks included in Section 1.

SECTION 1 - SCOPE OF WORK

ECORP Consulting, Inc. (ECORP) will be the prime contractor on this assignment with ECORP’s Michael J. Preszler, serving as the Project Manager and principal point of contact. Mr. Preszler will report directly to the County of San Luis Obispo and San Luis Obispo County Flood Control and Water Conservation District (District) with respect to all matters related to this work effort. Jeff Meyer of ECORP will be the Technical Director for this assignment. Our team of noted experts is available to begin work immediately. ECORP will be supported by two subcontractors, Cleath-Harris Geologists, Inc. and Hollenbeck Consulting. All work is planned to be completed within the nine-month schedule assumed for this assignment, following written authorization to proceed. Key project team members included in this work effort are listed below.

Team Member	Responsibility
Mr. Michael J. Preszler, P.E.	Project Manager, Water/Hydropower
Mr. Jeff Meyer, P.E.	Technical Director
Jared Emery, P.E.	Simulation Modeling / Hydrology
Timothy S. Cleath, PG, CHG, CEG	Groundwater / Local Agriculture
Spencer J. Harris, PG, CHG	Groundwater
John Hollenbeck, P.E.	QA/QC – Strategy Support
Paul Cylinder, Ph.D. ¹	HCP Technical Advisor
Terry Adelsbach ¹	HCP Technical Advisor
Chris Stabenfeldt ¹	CEQA Technical Advisor

In addition to the project team members listed above, we will employ support staff to perform necessary project functions such as word processing, information transfer, and document/graphics development.

ECORP will initiate the technical and strategic consulting services to support the District in connection with the Lopez Water Project HCP Hydrogeological Services by carrying out the tasks described below. This scope of work and cost proposal is in response to the Request for Proposals PS-#1248 dated February 14, 2014. We have developed our scope of work and cost proposal based on our current assumptions about and understanding of the project, the directions provided by the

¹ Potential Additional Services, see Section 2

District in its RFP, and our professional assessment of the most effective approach based on our experience.

Task 1: Review existing model data and verify, update, and develop OASIS simulation model

Task 1.1 Review of existing models and available documentation

ECORP proposes to use the OASIS model, as it is a superior tool to the RiverWare™ model for addressing the District's needs on this project. Information contained in the existing spreadsheet and RiverWare™ modeling system will be utilized to the maximum extent possible. Information and data will be extracted for use in the OASIS model development to accurately represent the Lopez Lake operations. A draft simulation modeling schematic created using the OASIS software package is illustrated in Figure 1. The finalization of this simulation modeling schematic is an early task in the development of the technical approach for the HCP analysis.

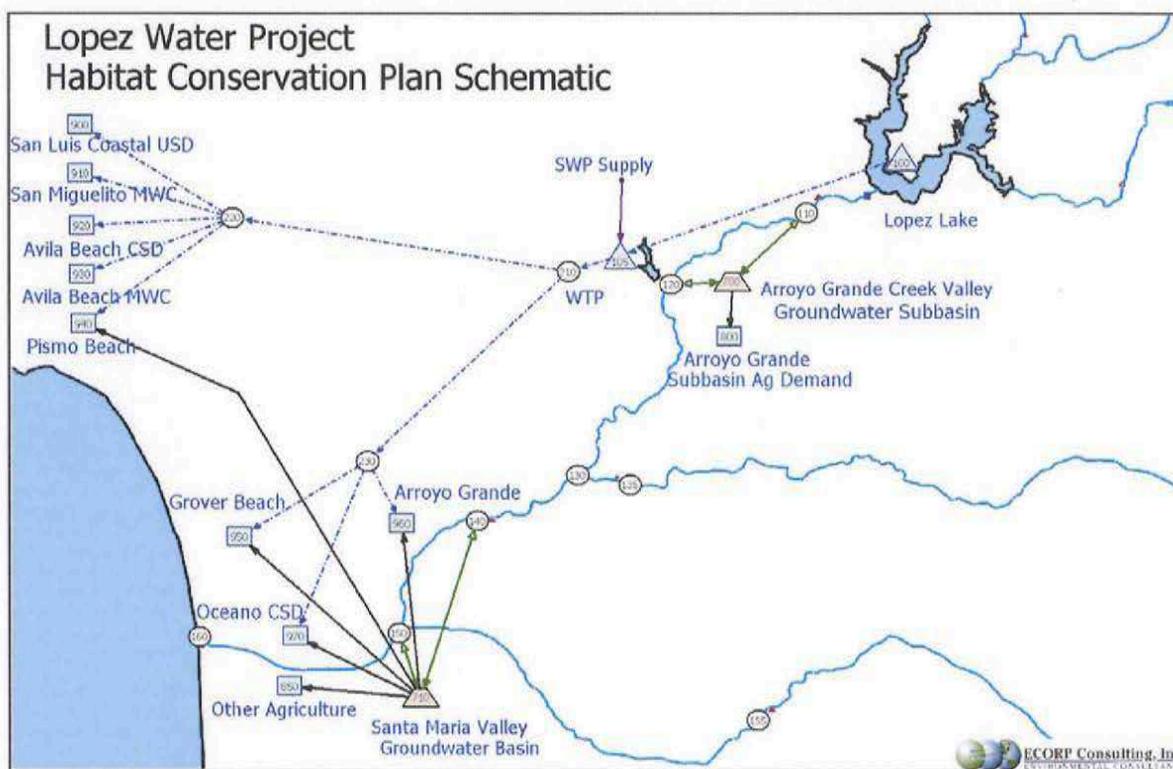


Figure 1 - OASIS Modeling Platform Draft Schematic for the Lopez Water Project HCP

The OASIS modeling platform is extremely flexible and modular and in addition to the HCP project, could be used by the District for multiple future applications, including testing of drought policy, determining feasibility of potential water sales, and operations forecasting and optimization. The flexibility of the platform allows for expansion of the model to include other District water resources and facilities or changes to existing facilities such as pipeline capacities or increases in reservoir storage.

Task 1.2 Review reservoir data and extend hydrology

The existing operations CSD model uses a hydrologic dataset from 1969-2004. The mean-daily hydrologic dataset will be extended an additional nine years (1969-2013), using the recent reservoir operations

data. Preliminary review of the existing modeling tools indicates a potential error in the method used to create the 1969-2004 inflow dataset. This task includes review and revision, if necessary, of the original hydrologic dataset. The result of the efforts completed under Task 1.2 is the creation of a 1969-2013 hydrology dataset on a daily time step.

Task 1.3 Review and coordinate information with stakeholders

Under this task, ECORP will engage stakeholders in the development of the simulation model. This process is used to correctly reflect stakeholders' usage in the formulation of the demand dataset. In addition, we will interview project operators to identify operational nuances and procedures that should be reflected in the modeling. While engaged with the stakeholders, we will work with them to prepare performance measures that can be reviewed to compare alternative operational regimes.

Task 1.4 Develop OASIS simulation model of system and Baseline study

Using the information and data obtained from the existing model review, stakeholder interviews, and the extended hydrologic dataset, ECORP will develop an OASIS model application of the Zone 3 system. The model output will be compared to the recent historic data for validation. This first scenario will serve as the Baseline description of existing system to which all alternatives will be compared. We are sensitive to potential differences in federal and State regulatory agency interpretations of what constitutes baseline conditions and will work with the project team and the agencies to ensure full understanding.

Task 1.5 Prepare documentation of model assumptions

The Baseline study methodology, assumptions, and results will be documented for District review and use. Documentation will include operating policies, permits, licenses and agreements, current facilities, and current levels of demand.

Task 1 Deliverables

- Baseline model results
- Model documentation

Task 2: Water Availability Analysis

Task 2.1 Project Approach and Objectives

ECORP will conduct a Water Availability Analysis (WAA) in accordance with SWRCB practices for submittal to the SWRCB, and for use in the hydrology, water quality, and project operational impact analysis. Our analysis will start with documenting projected water needs. Much of this information has been developed in the past based on information contained in the *Water Resources Development and Management Plan, 2008* (Water Plan). Water needs will be documented for the build-out demand.

Next, we will determine the impaired and unimpaired streamflow over a 45-year study period (historic years 1969 through 2013) by evaluating effects resulting from higher priority direct diversion water rights (value of water right and not actual water use), higher priority storage water rights, documented riparian water rights, and instream flow requirements. This analysis will include a discussion of the cumulative effects of all water diversions in the watershed.

It is advantageous to finalize the downstream release program prior to completion of the WAA. Therefore, this process will be somewhat iterative as we move through the negotiations. The Project Manager and Technical Director will prepare for and attend a two-hour meeting with State Water Resources Control Board (SWRCB) staff to discuss specific details associated with the pending water rights filing application.

Lastly, the WAA will include an estimation of water supply in wet, average, and dry water years in support of CEQA and NEPA review. Supply analysis may utilize correlation techniques using historic streamflow and precipitation data, or other acceptable methods depending on available hydrologic data. A comparison of supply and demand for the 45-year study period will be completed to verify that water is available under the water rights applications for appropriation.

In addition to crafting the necessary information to support the WAA required by the SWRCB, it is anticipated that this work effort will be used for environmental analysis of the Arroyo Grande Creek watershed potentially affected by the project.

Task 2.2 System Description

ECORP will provide a technical description of the pending water rights applications. This description will include the use of Lopez Lake storage facilities. Direct diversion from the Arroyo Grande riparian water users will be discussed. The total maximum diversion and re-diversion of water from project sources will be described, including the maximum volume and timing of supplemental water required, if any. Our team will describe the project facilities, including development of maps illustrating the project and place of use and a description of the points of take. This system description will be based on existing information.

Task 2.3 Modeling of system

ECORP will develop procedures, criteria, and assumptions used to determine availability of water from project sources to meet Zone 3 water supply needs. The primary tool for this task is the OASIS model of the project developed in Task 1. In addition, this task will allow development of operating criteria and assumptions. The operation assumptions will be based on the base case operation for the historic years 1969 through 2013 period. ECORP will demonstrate that this period of record is adequate for this study. This includes reservoir releases, direct diversion, and rate of take. The strategy employed in determination of the WAA will be documented.

Task 2.4 Effects of HCP on agricultural and municipal groundwater supply

ECORP will conduct land use and well survey/inventory between the dam and the ocean to identify areas where agricultural and municipal wells tap zones receiving recharge from Arroyo Grande Creek, the fields/water systems they serve, and their estimated historical production. The survey will include research and field verification.

Task 2.5 Draft Technical Report for Submittal to SWRCB

The WAA will be summarized in a Draft technical report (Draft Water Availability Analysis) suitable for submittal to the SWRCB. This draft document will be circulated to appropriate parties, including the District's legal counsel, for review and comment.

Task 2.6 Final Technical Report for Submittal to SWRCB

ECORP will incorporate and address each of the comments and suggested changes to the Draft Water Availability Analysis. This will include text changes and may also include changes to graphics/maps and other illustrations. Once comments have been incorporated, the Final WAA will be prepared and made ready for submittal to the SWRCB. This task will include a complete cover-to-cover technical review by the Project Manager and Technical Director.

Task 2 Deliverables

- Draft Water Availability Analysis – digital file
- Final Water Availability Analysis – digital file and three (3) hard copies

Task 3: Downstream Release Program Alternatives

It is anticipated that up to four (4) Lopez Lake water release alternatives will be considered and analyzed for water operations to support biological analyses and decisions by the District. This task will use the model developed in Task 1 to evaluate downstream release alternatives. Tasks 3.1 to 3.3 describe three (3) alternatives that will be used to begin the process; the fourth alternative is the Baseline (see Task 1.4).

The OASIS modeling platform is capable of generating tables and graphs immediately following model execution. Performance measures can be developed to identify if a scenario performs better or worse than any other scenario relative to specific performance objectives. As an example, Lopez Lake storage and delivery might be an indicator of the success or failure of a downstream flow alternative to meet project goals. These performance measures will be developed prior to alternative development to help identify critical elements. All effects will be measured from the Baseline study developed in Task 1.4.

Task 3.1 Develop Technical Input to Evaluate HCP Alternatives

ECORP will compile information on the sources of inflow and outflow within the Arroyo Grande subbasin and the area of the Santa Maria basin where inventory wells are located. Using this information, the team will analyze the relationship between reservoir releases and groundwater availability and lay the groundwork for a more in-depth review of potential water supply impacts in sufficient detail to support the preparation of environmental documents.

Task 3.2 Develop Operate to Water Rights Alternative

ECORP will evaluate an Operate to Water Rights alternative in two steps. For step one, Lopez Lake and municipal demands will be “removed” from the simulation model. This will allow estimation of the unimpaired flow of Arroyo Creek representing the quantity and timing of water available for downstream riparian diverters. In step two, the Lopez Lake Project’s simulated operation will be evaluated using the downstream deliveries to agricultural users determined in step one. The resulting evaluation will illustrate project operations under existing water rights.

Task 3.3 Develop Best Habitat Case Alternative

ECORP will work with the District and other members of the project team to develop the Best Habitat Case alternative using the priority system built into the OASIS model. In the Best Habitat Case Alternative, competing goals include meeting habitat requirements of steelhead and other aquatic species, supporting riparian habitat, meeting agricultural demands, meeting municipal demands, preserving minimum carryover storage in Lopez Lake, and meeting downstream flow requirements. Priority weighting of agricultural demands would have the highest weighting as they are the most senior in terms of water rights (these rights will be determined from the analysis of the Operate to Water Rights Alternative).

As municipal contracts are inviolate, meeting those demands would receive the next highest weighting. Meeting downstream flow targets would receive a lower weighting. It is likely that storage weighting would have the lowest weighting; however, carryover storage is very important in planning for operations for subsequent years. ECORP will work with the District to determine the level of acceptable risk to accept in drawing down the reservoir. ECORP will support the District in making these decisions and potentially addressing District policy for operating the reservoir.

Task 3.4 Develop HCP Alternative

Based on the Baseline, Operate to Water Rights alternative, and Best Habitat Case alternative described above and using the power of the OASIS modeling tool, ECORP will work with the project

team to develop the HCP Alternative. We anticipate that the HCP Alternative will fall somewhere between the Operate to Water Rights Alternative and the Best Habitat Case Alternative. The OASIS modeling platform with developed performance measures will be used to test operational scenarios to reach the optimal solution for operations in balancing fishery and supply needs. From such model outputs, the user can quickly identify the effects of each scenario. We plan to use methods such as these to develop the HCP Alternative in an efficient and transparent process that engages the District, agencies, and stakeholders. This HCP Alternative may actually be several iterations leading to a negotiated settlement.

Task 3 Deliverables

- Model results
- Technical memo of assumptions

Task 4: Project Oversight, Coordination, and Strategic Planning

Task 4.1 Overall Project Coordination

4.1.1 Project Management and Coordinate Task Activities

The Project Manager will, over the duration of the project (nine months), undertake ongoing management and oversight of all project activities. This will require detailed coordination with our two sub-consultant firms represented, where appropriate, by their Technical Leaders and close interaction with the Technical Director. Activities under this subtask are assumed to include schedule development and review, progress monitoring, technical collaboration, personnel/staff planning, budgetary oversight, and ongoing liaison with the District.

4.1.2 District Kick-Off and Coordination Meetings

Over the nine-month duration of the project assignment, the Project Manager and Technical Director will prepare for and attend up to three (3) two-hour coordination meetings with the District, held in San Luis Obispo County. As the first of these three meetings, we plan to start the project with a kick-off meeting to introduce team members, establish communication protocols, and begin to gather data to support model construction. The remaining two coordination meetings would be scheduled to provide a venue for discussion on topics including, but not necessarily limited to, the implementation of the strategic approach, interagency/stakeholder liaison, key issues, project definition, potential alternatives, hydrologic modeling, water availability, and SWRCB liaison. These would be ad hoc meetings, and scheduled at mutually agreed times as specific needs arise.

4.1.3 TAC Meetings

The Project Director and Technical Director will attend up to five (5) Technical Advisory Meetings (TAC) meetings assumed to be held in San Luis Obispo. It is assumed that the TAC meetings will serve as a forum for broad issues discussion related to the HCP process and the Lopez Water Project HCP Hydrogeologic Services throughout this effort.

4.1.4 Prepare 9 Monthly Progress Reports

The Project Director will prepare nine (9) monthly progress reports for submittal to the District. These reports will capture the activities of the ECORP project team over the past month. They will include summaries of all meetings undertaken, technical progress, key analytical assumptions made, any preliminary analyses completed, identification of problems or issues, recommended actions, and a summary of the next month's anticipated activities.

Task 4.2 Strategic Planning

4.2.1 Develop Project Approach

The project approach, stemming from discussions and input from the Coordination Meetings (see Subtask 4.1.2 above), will be developed by the Project Director and Technical Director with input from the various Technical Leaders where necessary. This will be an essential early element of the project, as it will guide the overall development of the analysis.

4.2.2 SWRCB Water Rights Application Briefing Meeting

The Project Director and Technical Director will prepare for and attend a 2-hour meeting with SWRCB staff to discuss specific details associated with the pending water rights filing application.

Task 4 Deliverables

- Monthly progress reports (up to 9 reports) - electronic files via email
- Summary of meeting outcomes and action items

SECTION 2 - POTENTIAL ADDITIONAL SERVICES

This section provides brief descriptions of optional additional tasks that ECORP could perform in support of the District. These tasks are not included in ECORP's proposed scope of work, schedule, or cost estimate. On the District's request, ECORP could provide more detailed task descriptions and a cost estimate for each of these optional additional tasks.

Additional ECORP Recommended Task: Modeling

Several other alternative simulation evaluations may be necessary to develop the draft and final HCP release program. ECORP could support this process by providing modeling expertise. We would use the Computer Aided Negotiation (CAN) process to develop the release program. Once the internal team understands the limits of the project operation, flow proposals can be developed.

Alternative Task 1 Habitat Conservation Plan (HCP) Support

ECORP professionals are highly experienced in the preparation of HCPs and, in particular, HCPs involving fisheries and flow issues.

HCPs that involve actions resulting in changes to flow in riverine systems require close coordination between the hydrogeologic experts using physical models and the fisheries, wildlife, and riparian biologists who will assess biological effects. Under this optional task, ECORP hydrogeologic experts will work with H.T. Harvey biologists to ensure that they have the information necessary to assess impacts of alternatives on fish and wildlife species covered under the HCP. Various aspects of flow are important to fish habitat and riparian vegetation including rate of flow, volume within the channel, frequency and duration of floodplain inundation, and temperature. Information generated by the hydrologic model will provide daily flows for each water year type based on the configuration and operation of the system under the each of the Downstream Release Program alternatives.

To support the assessment of fish habitat within the channel and floodplain, ECORP would obtain existing cross-sectional data on the channel and floodplain at representative sites for reaches of Arroyo Grande Creek. Existing habitat data subdivide the creek into ten reaches. If necessary, new cross-sectional data would be collected. This channel morphologic information combined with the flow model results will allow for the estimates of channel volume and floodplain inundation at different times of year, in different water year types, and under different alternatives.

Water temperature, particularly during the spring, summer, and fall is an important factor influencing habitat quality and availability for steelhead. A temperature model could be applied to the flow data to assess temperature changes under the various alternatives using the existing temperature data for Arroyo Grande Creek and the reservoir to calibrate the model. While temperature models can be used to assess potential effects on steelhead habitat, past field monitoring data and current understanding indicated that temperature may not be limiting in this system.

Effects on riparian habitat and the wildlife that use this habitat are typically assessed based on the frequency and duration of floodplain inundation and groundwater levels within the riparian zone. Inundation is important to the reproduction of riparian trees and shrubs from seed and groundwater levels are important to the survival of adult trees and shrubs. Riparian cover (“shaded riverine habitat”) is a key factor in maintaining appropriate water temperatures for steelhead. The analysis of effects on riparian habitat will be based on known or estimated groundwater depths in the riparian zone under existing conditions and projected changes in groundwater resulting from different operational alternatives.

Existing flow conditions and channel configuration in Arroyo Grande Creek are generally not conducive to red-legged frog because of the lack of deep pool habitat. In addition, introduced predators adversely affect red-legged frog populations. While different operational alternatives may affect the deep pool habitat need by red-legged frog, restoration of such habitat could be designed and implemented based on whichever flow regime alternative is selected.

Alternative Task 2 CEQA/NEPA Support

ECORP Consulting provides comprehensive, multi-disciplinary management of environmental impact documentation projects, as required by the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA). CEQA documentation is required for projects directly undertaken by a state, regional, or local public agency or are supported by a public agency through funding or granting of a permit or other entitlement. Similarly, NEPA documentation is required for projects directly undertaken by a federal public agency or supported by a federal public agency through funding or granting of a permit, HCP, or other entitlement. Some projects have involvement by both federal and state/local public agencies and require joint CEQA/NEPA documents.

ECORP provides agencies with the expertise to determine the appropriate CEQA or NEPA document for each project, from exemptions to Environmental Impact Reports/Statements. Working with other ECORP departments and specialty subcontractors, we also provide the technical studies necessary to support the environmental determinations. The CEQA/NEPA process relies on the development of a project description. In this case, the project is the HCP, which still needs to be negotiated. Knowing that CEQA and NEPA will be triggered through this process, consideration should be given to potential future conditions. This will be particularly important when negotiating the downstream release program. Any downstream release program should account for the future conditions so that when demands are at build-out levels, the District can still meet the release program objectives without violation.

With regard to the hydrogeologic services, potential future conditions must be evaluated to satisfy the requirements of CEQA and NEPA. For example, two possible future scenarios may be:

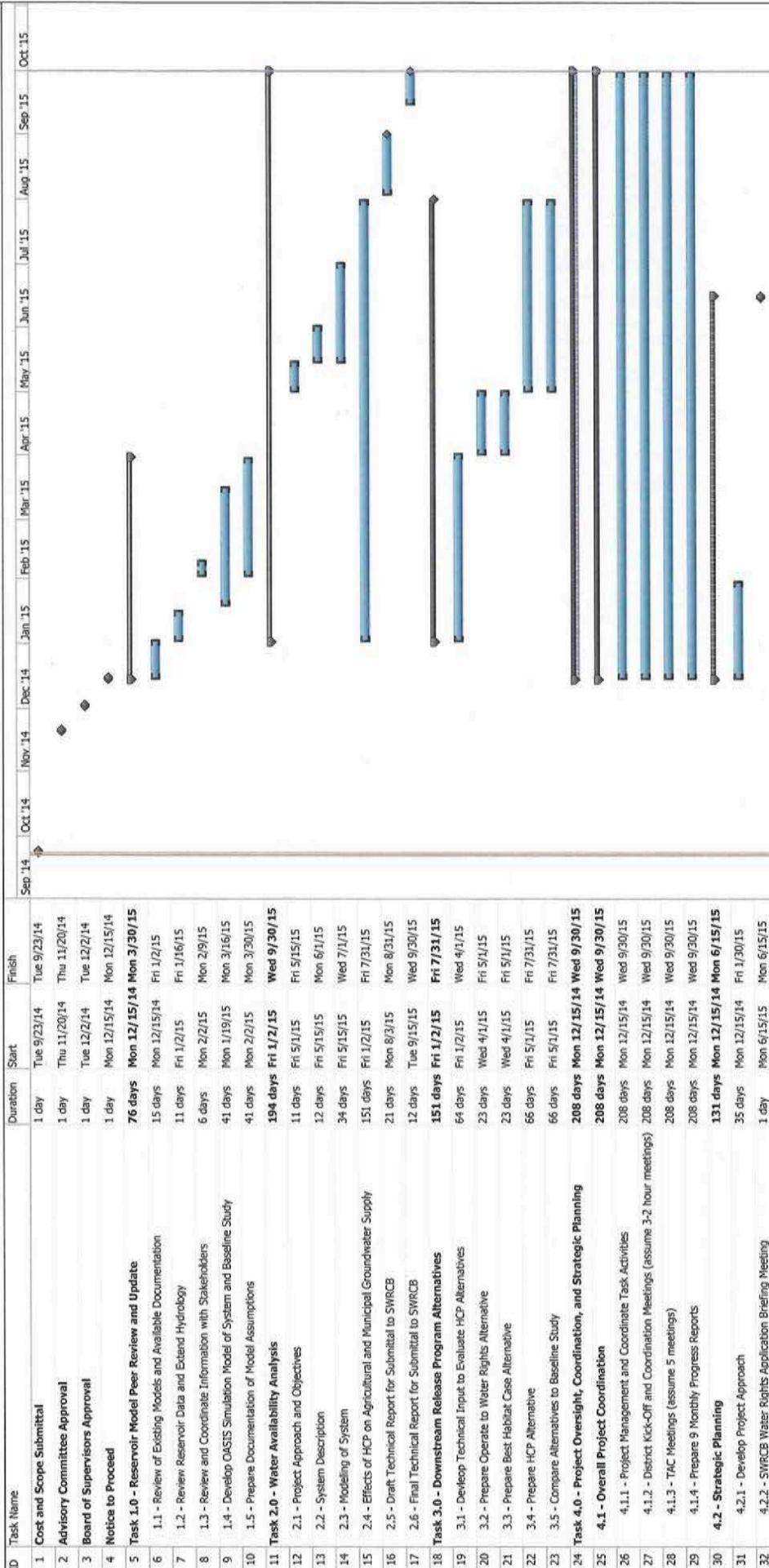
- Existing facilities with future build-out level of demand
- Lopez Lake Dam raise with future level of demand

There may be others as well. In support of the CEQA/NEPA process, we will assume that three future levels scenarios must be evaluated.

SECTION 3 - PROJECT SCHEDULE

The ECORP team anticipates a total project timeline of approximately nine months to complete this effort. Major project milestones are noted in the schedule on the following page.

Schedule - September 23, 2014
Lopez Water Project Habitat Conservation Plan Hydrogeologic Services
Submitted to San Luis Obispo County Flood Control and Water Conservation District
By: ECORP Consulting, Inc.



SECTION 4 - PROJECT COST ESTIMATE

A detailed project cost estimate is provided below, including billing rates, hours for each team member, cost by task and subtask, and overall not-to-exceed budget.

EXHIBIT "B"
COST PROPOSAL

REVISED COST PROPOSAL - October 23, 2014
LOPEZ WATER PROJECT HABITAT CONSERVATION PLAN HYDROGEOLOGIC SERVICES
SUBMITTED TO SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
BY: ECRP CONSULTING, INC.

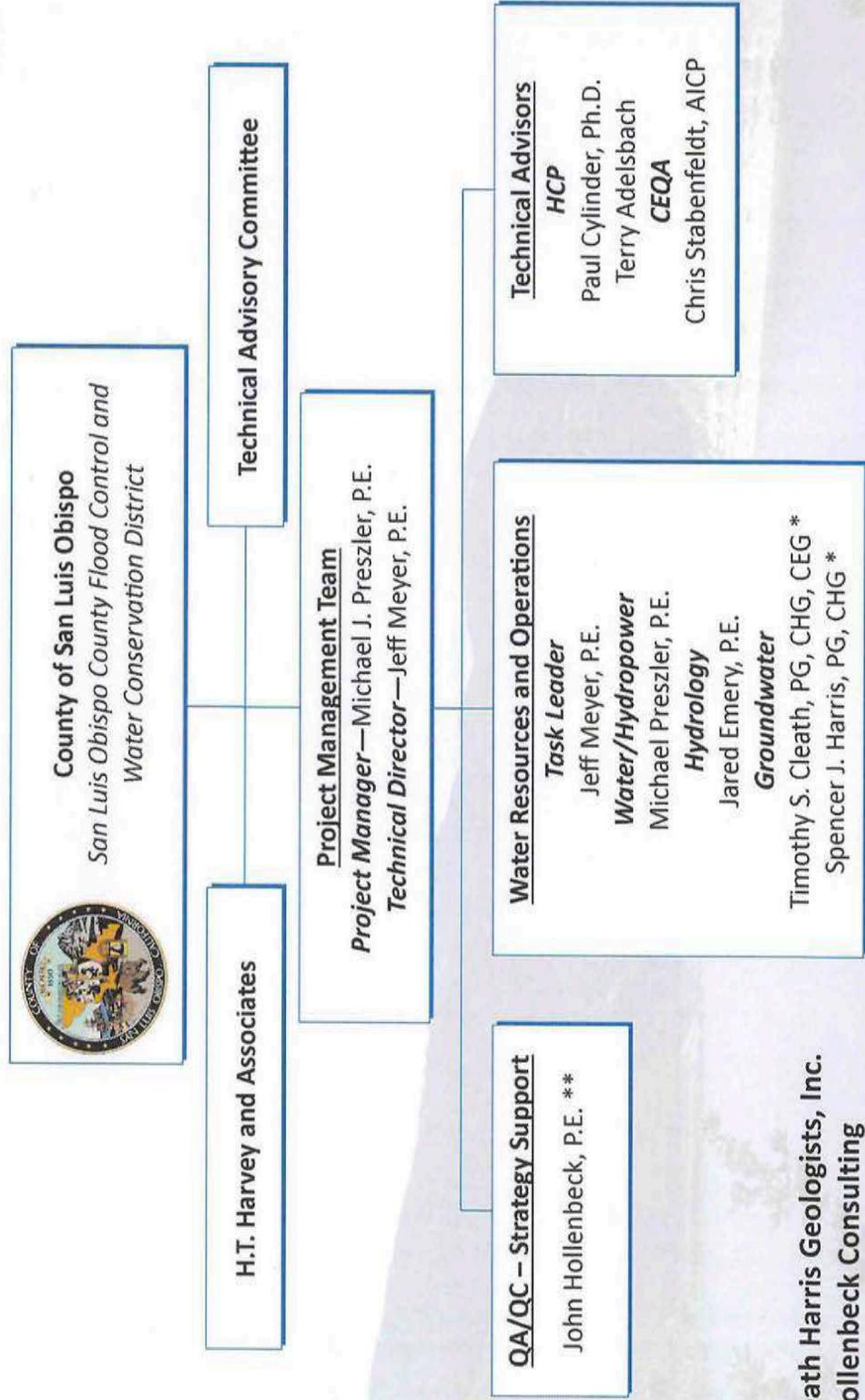
	Team Member	Role on Project	Rate per hour	Personnel													Hours Per Subtask	Cost Per Subtask	
				Michael Preszler	Jeff Meyer	Jared Emery	*Timothy Cleath	*Spencer Harris	*CHG Staff	*John Hollenbeck	Mapping Department Manager	GIS Specialist	Production Coordinator	Brian Fedrow	Toni Clark	Holly McClure			Wendy Garner
\$44,905	Task 1.0 - Reservoir Model Peer Review and Update																		
	1.1	Review of existing models and available documentation	4	16	24													44	\$ 7,600
	1.2	Review reservoir data and extend hydrology	1	12	24													45	\$ 7,112
	1.3	Review and coordinate information with stakeholders	16	16	4	8	8											54	\$ 9,604
	1.4	Develop OASIS simulation model of system and Baseline study	4	12	40	2	2											60	\$ 9,757
	1.5	Prepare documentation of model assumptions	8	32	4	2	2											60	\$ 10,833
\$46,502	Task 2.0 - Water Availability Analysis																		
	2.1	Project Approach and Objectives	16	4		2	2											26	\$ 4,935
	2.2	System Description	2	8														20	\$ 3,123
	2.3	Modeling of system	2	16	32													50	\$ 8,400
	2.4	Effects of HCP on agricultural and municipal groundwater supply	2	8		8	24											90	\$ 11,114
	2.5	Draft Technical Report for Submittal to SWRCB	32	4	4	4	4											76	\$ 12,413
\$44,641	Task 3.0 - Downstream Release Program Alternatives																		
	3.1	Develop technical input to evaluate HCP alternatives	2	8	12	12	36											142	\$ 17,471
	3.2	Prepare Operate to Water Rights Alternative	4	16	20	4												44	\$ 7,588
	3.3	Prepare Best Habitat Case Alternative	4	16	20	4												44	\$ 7,588
	3.4	Prepare HCP Alternative	4	16	20	4												44	\$ 7,588
	3.5	Compare Alternatives to Baseline Study	2	8	4	2												24	\$ 4,406
\$74,014	Task 4.0 - Project Oversight, Coordination, and Strategic Planning																		
	4.1 Overall Project Coordination																		
	Subtask 4.1.1 - Project Management and Coordinate Task Activities																		
	Subtask 4.1.2 - District Kick-Off and Coordination Meetings (assume 3 2-hour meetings)																		
	Subtask 4.1.3 - TAC Meetings (assume 7 in person meetings and 3 telephone meetings)																		
	Subtask 4.1.4 - Prepare 9 Monthly Progress Reports																		
4.2 Strategic Planning																			
Subtask 4.2.1 - Develop Project Approach																			
Subtask 4.2.2 - SWRCB Water Rights Application Briefing Meeting																			
Expenses																			
Mileage: 6,000 miles at \$0.56 per mile																			
Food & Lodging																			
Total Expenses																			
Total Hours																			
Total Labor																			
Total Not to Exceed Budget = \$210,062																			

* ECRP used a 5% mark-up for its subcontractors

EXHIBIT "C"
ORGANIZATIONAL CHART



Management Approach



* Cleath Harris Geologists, Inc.
 ** Hollenbeck Consulting